

ANNUAL REPORT 2017



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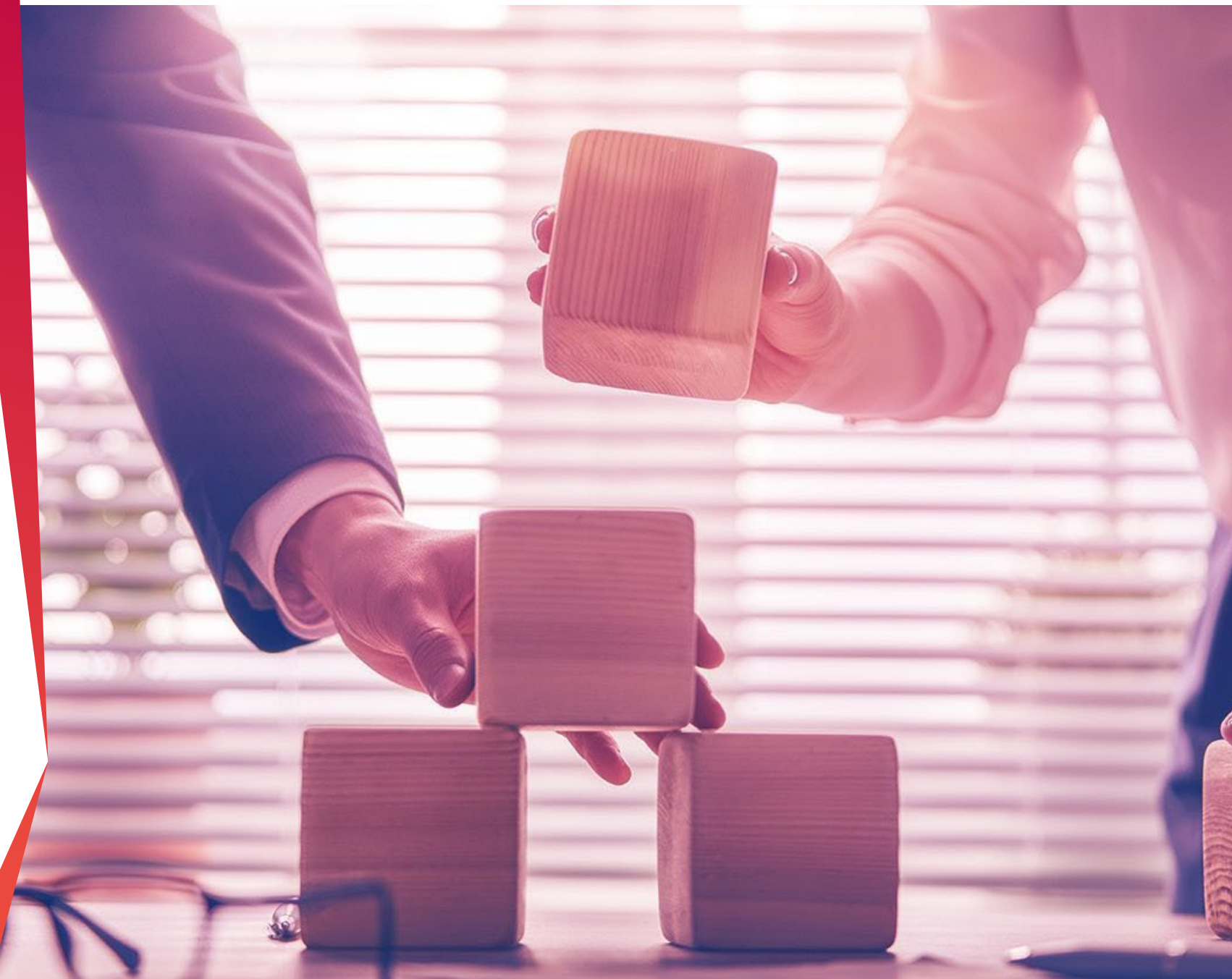


BANCOLDEX 
GRUPO **BANCOLDEX**

**OUR
BANK**

PURPOSE OF BANCÓLDEX

Bancóldex manages financial assets, develops access solutions and massively mobilizes capital, leveraged on its relational capital and converting it into services for business growth.



Bancóldex consolidates as a development bank

Bancóldex has deepened its role as Development Bank by offering entrepreneurs, not only financial services, but also non-financial services focused on knowledge and information fixed on understanding the needs of Colombian companies.



Likewise, in 2017 the Bank continued with the development of priority strategic projects to carry out different initiatives in order to strengthen the Bank on several fronts and turn it into a solid, more efficient entity that is aligned with its subsidiaries.

Understanding the needs of entrepreneurs according to their growth conditions, at the end of 2017, the Bank decided to base its 2018 operation on six strategic focuses that complement the effort of the "Growth Platforms" business units.

The six fronts are aimed at strengthening the support for Colombian exporters; to carry out direct credit operations under specific eligibility criteria; to strengthen the attention on micro financial entities to increase microenterprise credit; to the creation of lines of credit under special conditions; to finance and structure green projects and investments that generate positive impacts on the environment and, finally, to make the Bank a relevant player in the structuring of programs and projects that contribute to the business and regional development of the country.

SHAREHOLDER'S EQUITY

as december 2017

Ministry of Trade, Industry
and Tourism

91,87%



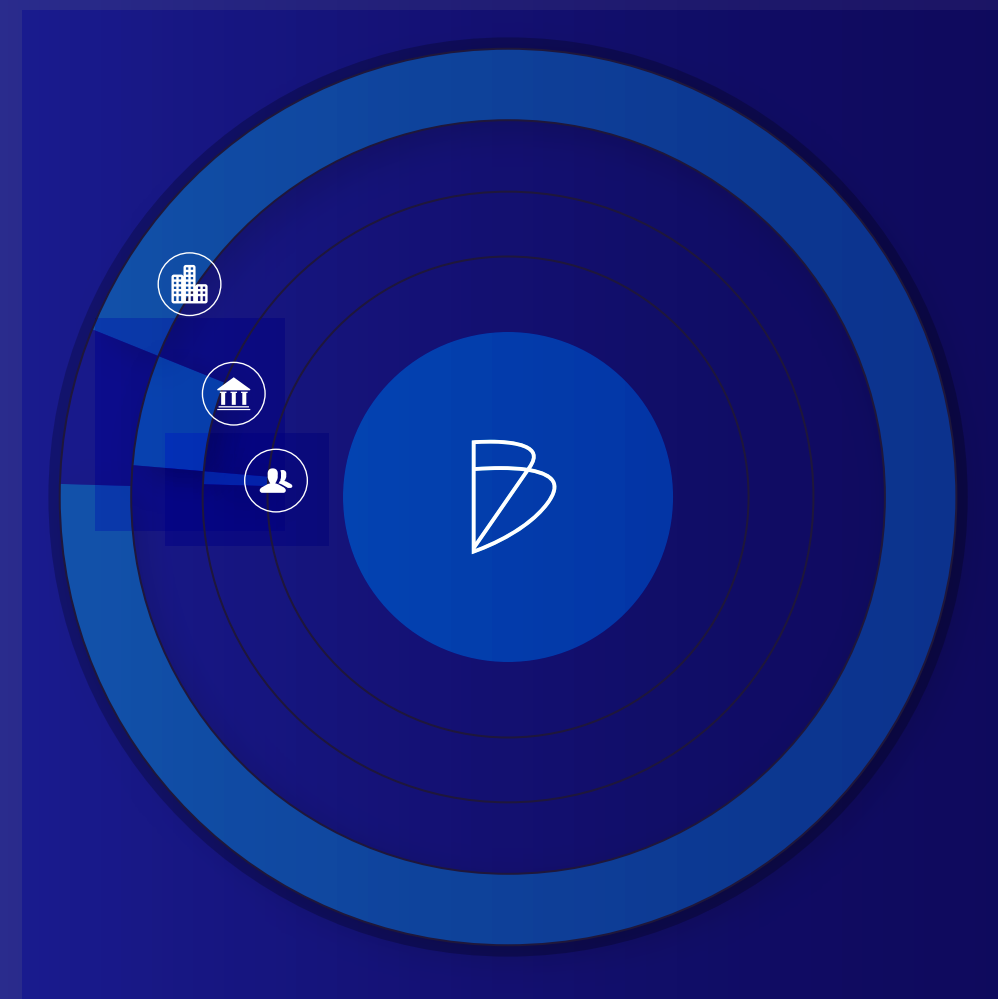
Ministry of Finance
and Public Credit

7,85%



Individual Shareholders

0,28%



MAIN



María Lorena Gutiérrez Botero
Minister of Commerce, Industry and Tourism.



Mauricio Cárdenas Santamaría
Minister of Treasury and Public Credit.



Augusto López Valencia
Representative of the private sector, appointed by the President of the Republic.



Carlos Eduardo Quintero Rocaniz
Corporate Advisor, designated by the General Shareholders Board.



Guillermo Valencia Jaramillo
Representative of the private sector, elected by exporter's associations.

SUBSTITUTES



Santiago Andrés Marroquín Velandia
Secretary General Ministry of Commerce, Industry and Tourism.



María Inés Agudelo Valencia
Delegate of the Ministry of Treasury and Public Credit.



Vacant



Mauricio Vega Lemus
President of the Chamber of Commerce of Pereira, designated by the General Shareholders Board.



Luis Gustavo Flórez Enciso
Executive President of ACICAM, representative of the private sector, elected by the exporter's associations.

BANCÓLDEX GROUP

In June 2017, the Bancóldex group was created, aimed at offering solutions to the business sector. It is made up of Bancóldex, the development bank that connects financial products and non-financial services with entrepreneurs and regional economic development organizations. ARCO before Leasing Bancóldex, a Financing Company specializing in leasing and commercial credit for the financing of productive assets; and Fiducóldex, the strategic partner of entrepreneurs to design fiduciary operations.

BANCOLDEX GRUOP



OUR BANK

ORGANIZATION CHART



OUR BANK
MANAGERIAL TEAM
DECEMBER 2017



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SPECIAL PROGRAMS

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Financing and knowledge for corporate growth

A group of four people (three women and one man) are gathered around a table in a modern office setting, looking at a large whiteboard with diagrams and charts. The image is overlaid with a dark, semi-transparent banner at the bottom.

Productive insertion and financial inclusion

- ▣ Emergent businesses

A hand holding a smartphone, displaying a bright sunburst effect over a city skyline at night. The image is overlaid with a dark, semi-transparent banner at the bottom.

Domestic boost

- ▣ Businesses with a
double digit rate growth
or the potential to do so
- ▣ Productive chains /
Cluster development

A silhouette of a person holding a long, thin object (possibly a pen or a stylus) against a background of a city skyline at night with a bright sunburst effect. The image is overlaid with a dark, semi-transparent banner at the bottom.

Global flows

- ▣ High exporting
companies
- ▣ Multilatinas*
- ▣ Multinationals

A hand holding a globe, with a city skyline visible in the background under a bright sunburst effect. The image is overlaid with a dark, semi-transparent banner at the bottom.

International expansion

- ▣ Multilatinas*
- ▣ Businesses with
internationalization
potential

A group of people working together at a table, looking at a large architectural model or map. The image is overlaid with a dark, semi-transparent banner at the bottom.

Extraordinary growth

- ▣ Start-ups
- ▣ Early stage businesses

A group of people sitting around a table, looking at a large map or document. The image is overlaid with a dark, semi-transparent banner at the bottom.

Dinamic ecosystems

- Non-financial services
 - ▣ Consulting service
 - ▣ Impact information
 - ▣ Special projects
structuring

*Multilatinas: multinational firms with headquarters in Latin America

Productive insertion and financial inclusion

- platform -

This platform focuses exclusively on supporting micro and small companies through rediscounting and creating market conditions so that more non-traditional financial intermediaries are attracted towards channeling the financial resources of Bancóldex. In this way, the Bank facilitates access to credit for micro and small businesses with greater productivity challenges, to become viable productive value units with enough growth capacity to enter a more developed business world.



Domestic boost

- platform -

It is focused on supporting the financial needs of companies that decide to grow and consolidate in the national market. It serves companies of all sizes, with growth potential in all regions of Colombia, with medium and long-term loans under favorable conditions for business modernization.

This platform also seeks to meet the financing needs of the productive links that mark economic activities such as market, technology and capital, and are the basis of the productive development of the country.



Global flows

- platform -

It focuses on supporting exporters, importers and Foreign Direct Investment - FDI. It finances companies that export non-traditional goods and services, importers of technology and capital goods, and foreign companies that have an interest in investing in Colombia. Both exporting companies and those that import technology to streamline their production processes require tailor-made products and longer-term financing that Bancóldex can offer.

International expansion

- platform -

It seeks to support the internationalization of companies that decided to establish their own position abroad or intend to do so. The bank found that there is a significant market of companies that have decided to export their business model and require long-term financing in USD to carry out this initiative.



Extraordinary growth

- platform -

Its main challenge is to develop the debt market for companies in early stages, addressing the financing gap that young firms under 5 years of age, have in their first stages of development. This gap responds not only to financial products and services supply issues by the institutions of the sector today, but, even more so, to the absence of specialized channels that know the dynamics of these companies at their early stages, their cash flow, characteristics and, especially, the different alternatives to mitigate risk when financing them.

Dynamic ecosystems

- platform -

It helps consolidate Bancóldex as a Development Bank, since its focus is non-financial support to entrepreneurs to accompany them in the development of their business growth projects. For this, it works with the "regional ecosystems", made up of companies and organizations that promote competitiveness and business growth through non-financial mechanisms that are complementary to credit.

The first mechanism seeks to provide information with added value to the regions. Here the tool Atlas of Economic Complexity for Colombia -DATLAS-, developed jointly with the CID (Cen-

ter for International Development) of Harvard University, stands out, with which it is possible to identify the opportunities for sophistication of the companies and regions in the country to achieve a greater growth.

The second mechanism is non-financial support to strengthen strategic managerial capacities in organizations and companies.

Finally, the project coordinator, in partnership with local and national organizations provides support to structure projects that trigger business growth in the regions to support competitiveness.



Who do we address?

We address visionary entrepreneurs, who are focused, able to lead the transformations of their industries, who dare to grow, determined to do things differently and determined to connect to opportunities.

We offer financial and non-financial products and services according to the growth circumstances of the companies. We activate powerful business dynamics and conversations in the regions to develop more competitive environments.

**THE PRODUCTS AND SERVICES
DEVELOPED BY BANCÓLDEX
ARE FRAMED UNDER THE
FOLLOWING FOCUS AREAS.**



SUPPORT THE EXPORT SECTOR

Which consists of repositioning Bancoldex as the Bank to finance foreign trade operations.

ACTIVATE DIRECT CREDIT

For operations that meet eligibility criteria in terms of investments, credit risk, guarantees and added impact of such operations.

STRENGTHEN ATTENTION TO MICROENTERPRISES AND MICROFINANCE INSTITUTIONS

The Bank will work to offer permanent assistance to the network of micro financial institutions to strengthen their institutional capacities, increase operational efficiency, improve corporate governance and mitigate risks.

SPECIAL CONTRIBUTION OF GOVERNMENT LINES

The Bank will continue addressing complex situations or regional emergencies affecting companies, through the creation of lines of credit under favorable conditions with specific destination in accordance with the direction of the national Government.

GREEN LINES

Consists of structuring and financing green projects and investments that generate positive impacts on the environment.

NEW SPECIAL LINES

The Bank seeks to become a relevant player in structuring programs and projects that contribute to the business and regional development of the country.

HOW WE OPERATE?

Bancóldex operates as a second-tier bank or rediscount bank. That is, when an entrepreneur requests a loan from a financial institution (a commercial bank, for example), this institution can request from Bancóldex the resources that such entrepreneur requires. Bancóldex delivers them to the financial institution, and this in turn to the entrepreneur.



Our allies

Bancóldex's main allies, through which credit resources are disbursed to entrepreneurs, are banks, corporations and financial cooperatives, savings and credit cooperatives, compensation funds, employee funds, among other entities supervised and not supervised by the Financial Superintendence of Colombia.

It also establishes alliances with institutions that promote approaching the business sector such as associations and guilds; territorial and multi-lateral entities; universities, ministries and other organizations such as the National Apprenticeship Service (Servicio Nacional de Aprendizaje SENA); the Banking Association of Colombia -Asobancaria- and Procolombia, among others.

PRODUCTS AND SERVICES

GROWTH PLATFORMS				
Extraordinary growth	Productive insertion and financial inclusion	Domestic boost	Global flows	International expansion
Credit for companies with high growth potential	Microfinances		Liquidity credit	
	Credit for business formalization	Credit for investment / Business modernization		
	Microinsurance	Sustainable development		Financing overseas / Post-shipment
		Discount of documents		
	Special quotas / Regional agreements and other allies		Prefinancing and export financing	
			International banking operation	
			Buyer, suprpplier and correspondent credit	
			Credit for correspondent bank	
			Private Capital Funds program "Bancóldex Capital"	
Business training				

Credit for companies with high growth potential

This alternative is aimed at identifying, financing and strengthening Colombian companies with high growth potential at their early stages, in all economic sectors. The investments financed with the resources of this credit modality, contribute to develop their potential, encourage the adoption of corporate strategies that allow them to have a fast, profitable and sustained growth; and promoting the incorporation of innovation as a differentiating element in business models, the reconfiguration of markets and product development.

Microfinance

Bancóldex has developed a wide network of intermediaries, whose purpose is promoting the development of the micro-business sector in Colombia. In the same way, Bancóldex has incorporated in its portfolio of products and services, financing alternatives that allow companies to meet their working capital needs, improve cash flow, start up business modernization projects, strengthen assets through capitalization of companies, and improve environmental performance.

Credit for business formalization

Bancóldex offers financing alternatives that allow companies to access working capital resources, fixed or deferred assets, whose

investments contribute to the development of their productive activities, and to their business formalization processes.

These processes help companies strengthen their growth dynamics, diversify their buyer portfolio, enter new national and international markets, and participate in government business development programs.

Microinsurance

Futurex vida

Provides protection of the micro-entrepreneur and his family in case of accidental, natural or suicidal death, total or permanent disability and serious illness. In addition, it offers additional coverage such as aid for funeral and family expenses due to death or disability.

Special quotas / Regional agreements and other allies

To strengthen financial support for the business sector, Bancóldex develops alliances with entities such as ministries, governorships, city halls and international cooperation agencies, among others. This is to establishing special credit quotas that provide liquidity, in pesos or dollars, and under preferential financial conditions, to different business segments, according to their geographical location, the size of the company, or the destination of resources.

These special credit quotas consider, depending on the case, limits to the maximum financing amounts per company, as well as compliance with particular conditions for accessing such resources.

Investment credit / Business modernization

This modality aims to meet the investment needs, in fixed or deferred assets, of micro, small, medium and large companies to carry out projects aimed at increasing the productivity and competitiveness standards, the acquisition of new technologies, the reconversion of the productive apparatus, the protection of the environment and other expansion plans, both nationally and internationally.

The resources of this modality can be channeled through financing mechanisms such as leasing, corporate credit or credit through partners or shareholders.

Sustainable development

Alternative funding aimed at micro, small, medium and large companies of all economic sectors that require investments in measurement, control and monitoring systems, focused on mitigating the negative effects of business activity on the environment.

This line of credit aims to promote companies to focus on sustainability of their businesses, be more productive and competitive in markets that demand high environmental standards, and include, within their portfolio, goods and services with added value in terms of protection and care for the environment.

Discount of documents

Bancóldex purchases directly from the Colombian exporter securities derived from exports that are backed by eligible banks:

- Acceptance or deferred payments generated by letters of credit.
- Letters endorsed by foreign financial intermediaries with direct quota or with irrevocable commitment of reimbursement.
- Exchange purchase invoices or single bills of exchange accepted by the importer and backed by a standby letter of credit.

Invoice purchase - Liquidex

Through this product, Bancóldex purchases the value of the invoices originated by the sale on credit of goods or services in Colombia or

abroad, to companies in the domestic market and direct or indirect exporters. This product operates under two schemes :

Liquidex pesos - Dollars

A company that sells goods or services and has secured its portfolio with a credit insurance policy, has the possibility of discounting these invoices directly with Bancóldex at competitive rates.

Liquidex productive chains

Through a global credit insurance policy, Bancóldex covers the portfolio of a purchasing company so that its suppliers in Colombia can directly discount their invoices at competitive rates with Bancóldex.

With these schemes Bancóldex grants liquidity to supplier companies without conditions, since

these do not require a study of the credit quota to access this product.

Prefinancing and export financing

Bancóldex made available to businessmen, alternatives to finance investments related to the costs and operating expenses necessary to carry out their exports, business modernization and innovation projects that improve their exportable offer, plans to strengthen their production processes, obtain certifications to carry out market research abroad, attend trade fairs, and other investments required in preparation for the export activity.

International banking operation

This is a Financial tool for Colombian exporters to ensure their international negotiations and mitigate the risk of non-payment abroad.

Through its network of correspondent banks Bancóldex offers:

- Confirmation of export letters of credit.
- Management of documentary collections.
- Management of payment orders.
- Currency trade on foreign trade operations.
- Confirmation of bank guarantees.

Buyer, supplier and correspondent credit

The purpose of these credit mechanisms is to finance buyers abroad of Colombian goods and services, through financial intermediaries previously qualified by Bancóldex or banks that hold an investment grade rating. Likewise, engineering or construction projects fully or partially developed by companies domiciled in Colombia are financed, and the purchase of Colombian assets through the payment agreement of ALADI in the member countries, with banks authorized to operate said agreement.

Likewise, it allows to support with credit resources those financial intermediaries Previously qualified by Bancóldex, operations of pre-financing of Exports or financing needs of imports from other countries.

Business training

This program seeks for entrepreneurs to strengthen their management skills through training, publications and business support services, which contribute to the improvement of their management, performance and competitiveness.

Face-to-face training

Entrepreneurs update their knowledge in different organizational areas to achieve better business management results.

The main topics addressed in face-to-face courses are: business formalization; strategic planning; accounting and financial management; foreign trade; human resource management; marketing, sales and customer service; good governance

practices; environmental management and corporate social responsibility, among others.

Virtual training

As a complement to face-to-face activities and to support the individual training initiatives of entrepreneurs, Bancóldex offers the following multimedia virtual courses:

- Acceptances or deferred payments generated by letters of credit.
- Finance, the key to business success.
- Management consultant in international negotiation.
- Management aspects to access credit.

Business follow-up

Through partnerships with other organizations such as universities, diagnoses of the main aspects of a company are carried out to determine improvement actions with the entrepreneur.

Private capital funds program Bancóldex Capital

The Bancóldex Capital Program is an initiative designed to promote Development of the private equity funds and venture capital industry in Colombia. The program has two components:

Financial support

Investment of private equity and venture capital funds (Bancóldex does not directly invest in companies).

Non-financial support

Through the promotion of good practices between investors, managers and other actors in the industry, Bancóldex contributes to the construction of the capital funds industry ecosystem.

Objectives of the program

- Provide new long-term funding sources to Colombian business through new capital from capital funds.
- Promote the private capital and entrepreneurial funds industry in the country.
- Attract new investors, domestic and foreign, to participate in the capital funds industry in the country.

SPECIAL PROGRAMS

From April 1, 2017, the Productive Transformation Program - PTP and the Business Management Unit - iNNpulsa Colombia, which had been administered by Bancóldex, are now managed by the Fiduciaria Colombiana de Comercio Exterior - Fiducóldex, subsidiary of Bancóldex SA





Banca de las Oportunidades is a program of the National Government, administered by Bancoldex, to promote financial inclusion in Colombia.

Its objective is to promote access to financial services to low income families, microentrepreneurs, small and medium enterprises and entrepreneurs to reduce poverty, promote social equality and stimulate economic development in Colombia.

Financial inclusion projects are developed with the support of the "Banca de las Oportunidades Network" made up of banks, financing companies, cooperatives with financial activity, micro-credit NGOs and insurance companies.

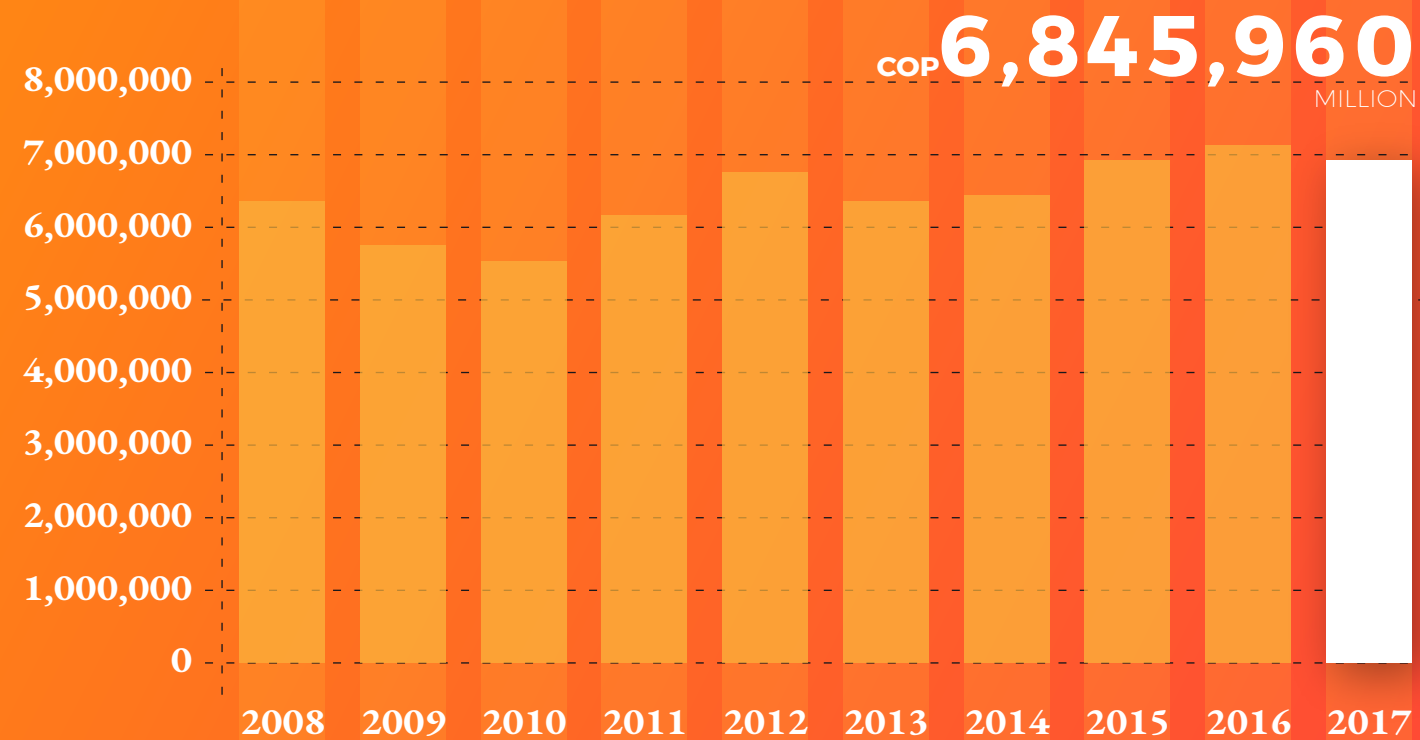
Banca de las Oportunidades takes on strategies to promote the necessary reforms of the regulatory framework that facilitate and promote access to financial services and promotes incentives for the co-financing of projects and technical assistance to meet the financial coverage goals, institutional strengthening of the network and access and development of financial services adjusted to the needs of the population.

 www.bancadelasoportunidades.com

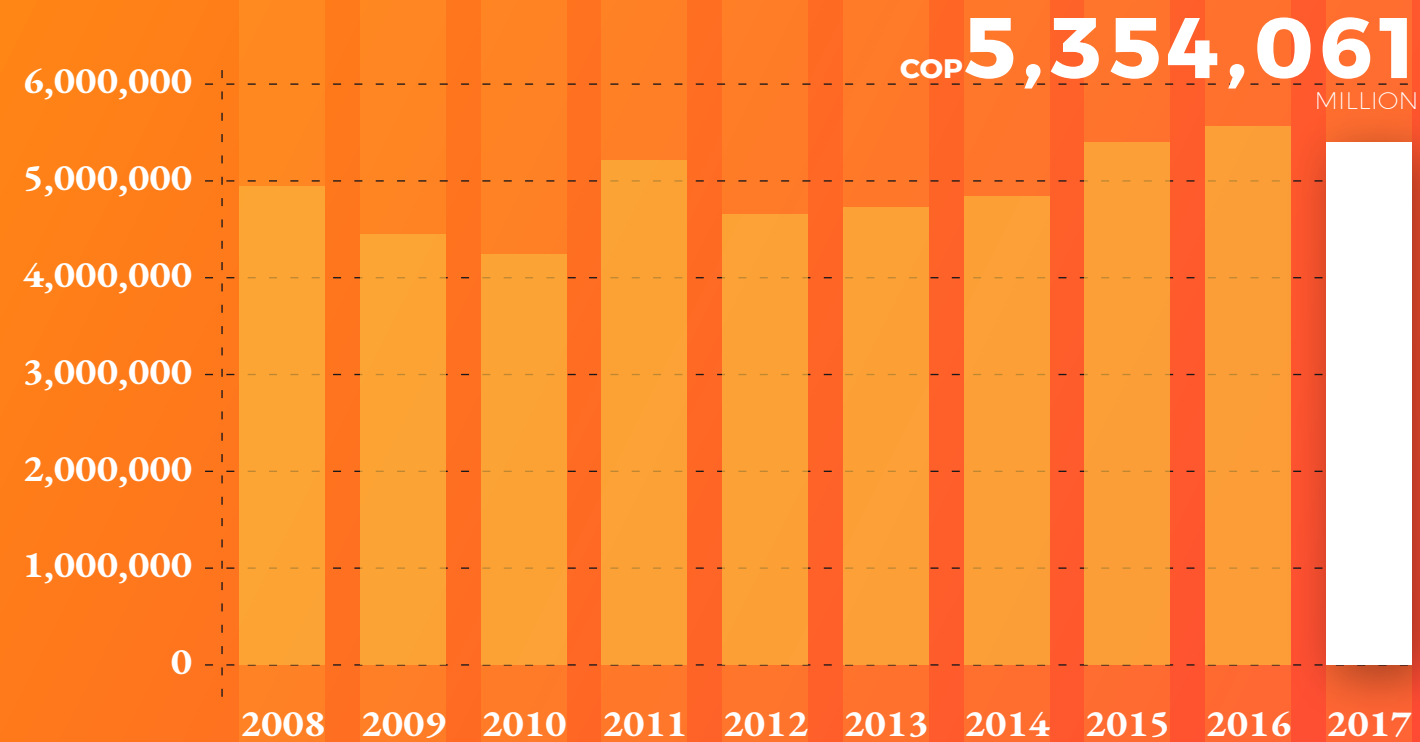


FINANCIAL RESULTS

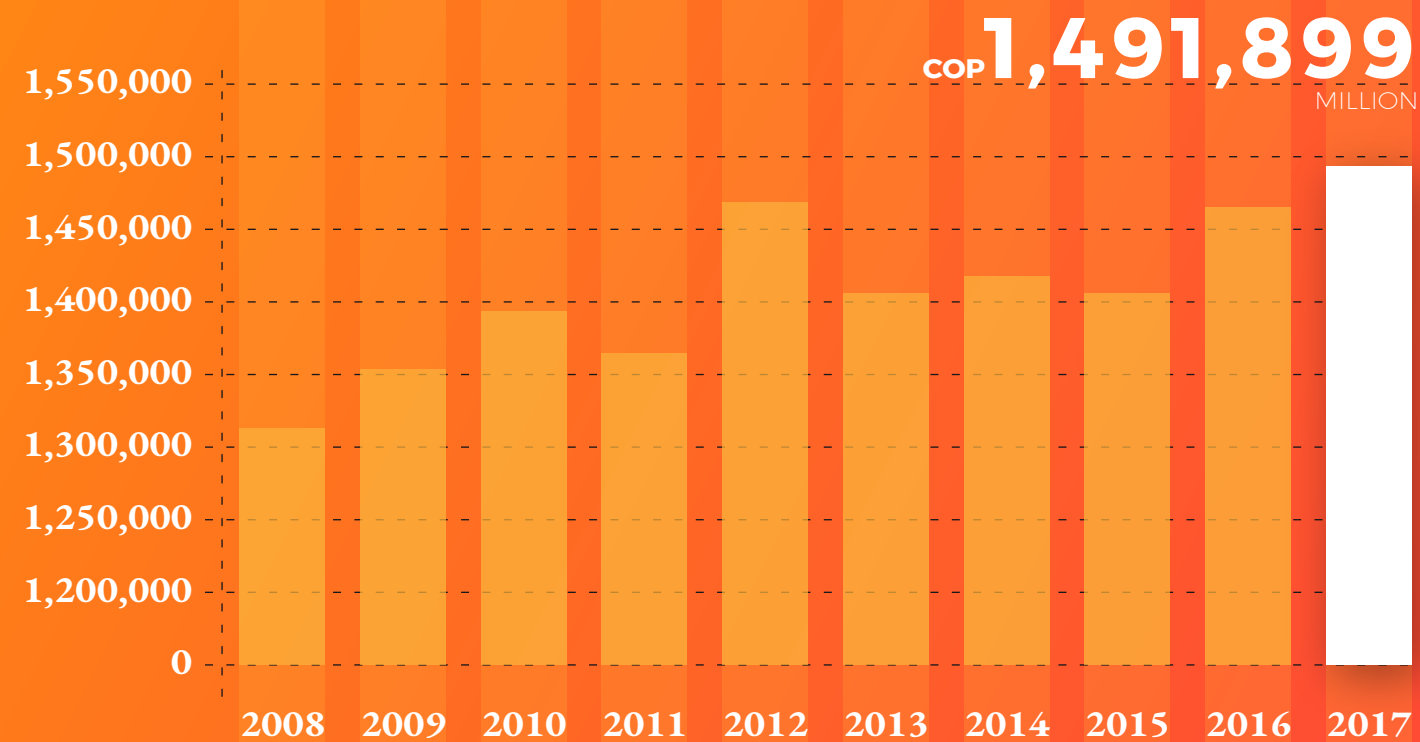
ASSETS



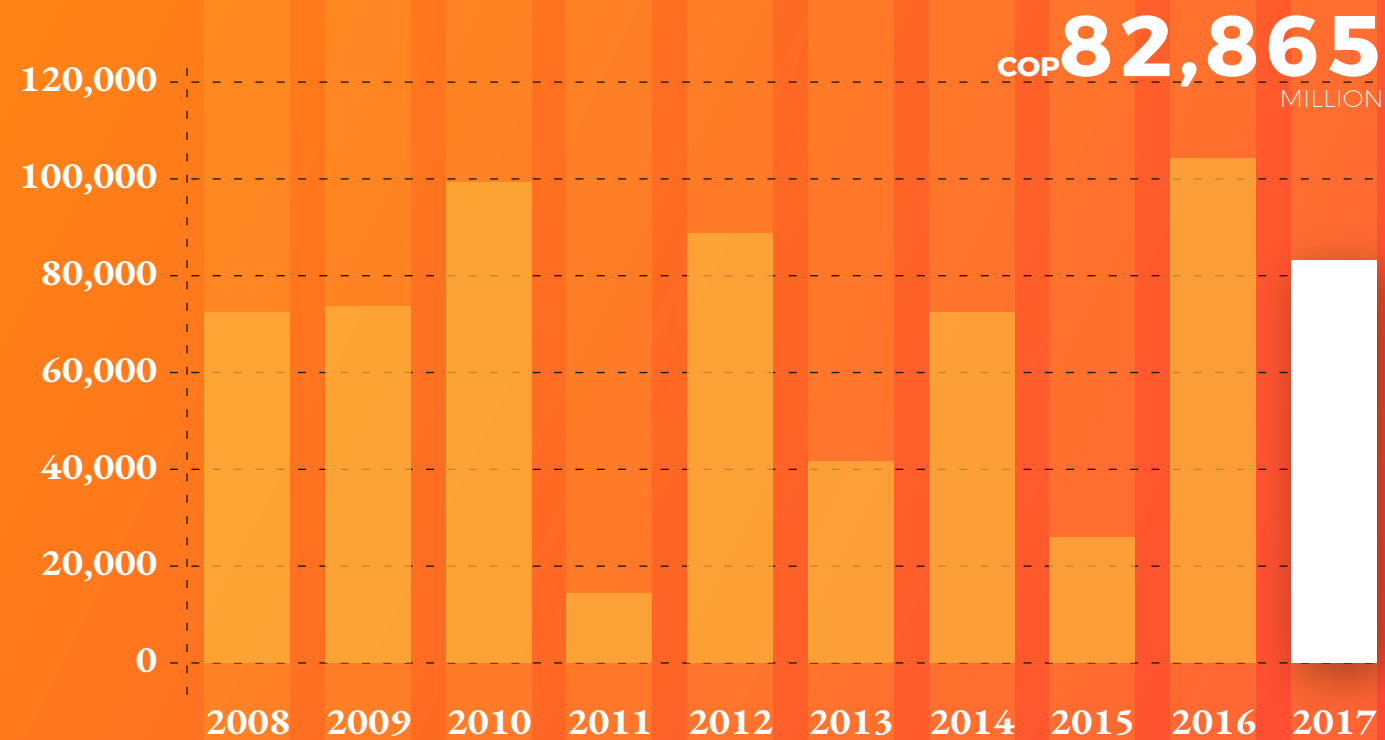
LIABILITIES



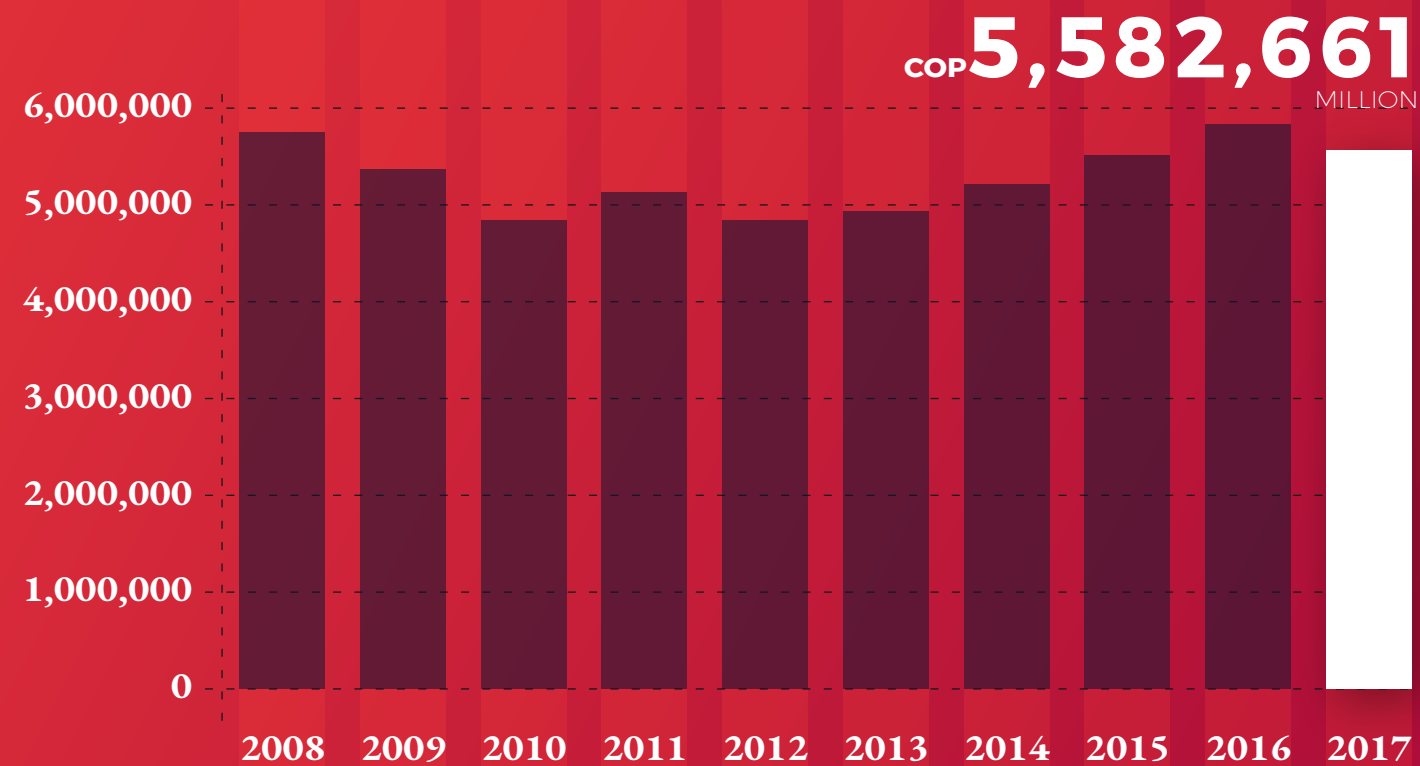
EQUITY



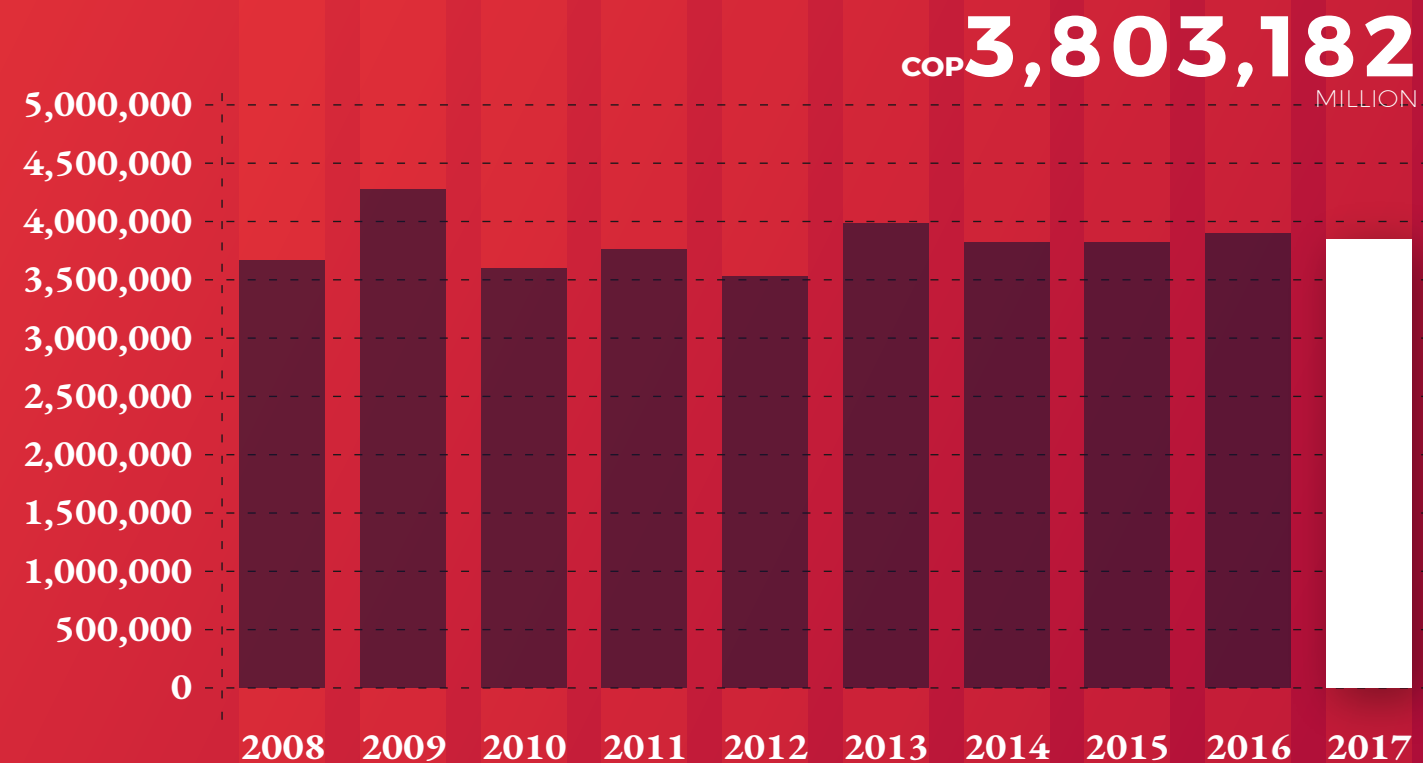
NET INCOME



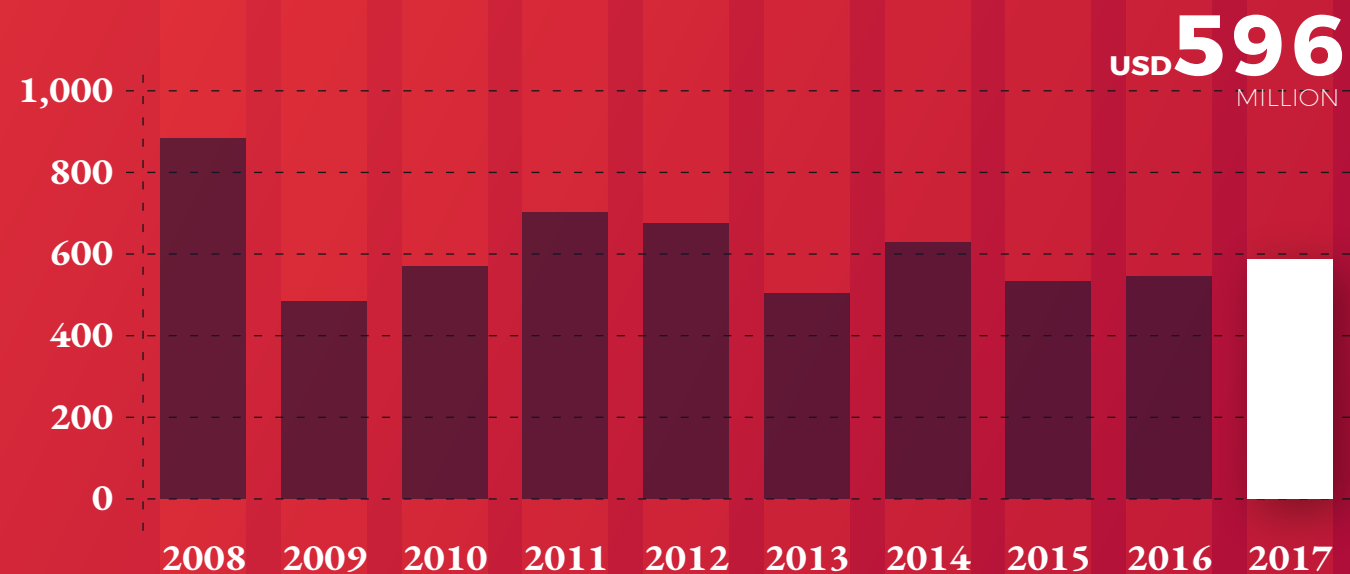
TOTAL PORTFOLIO



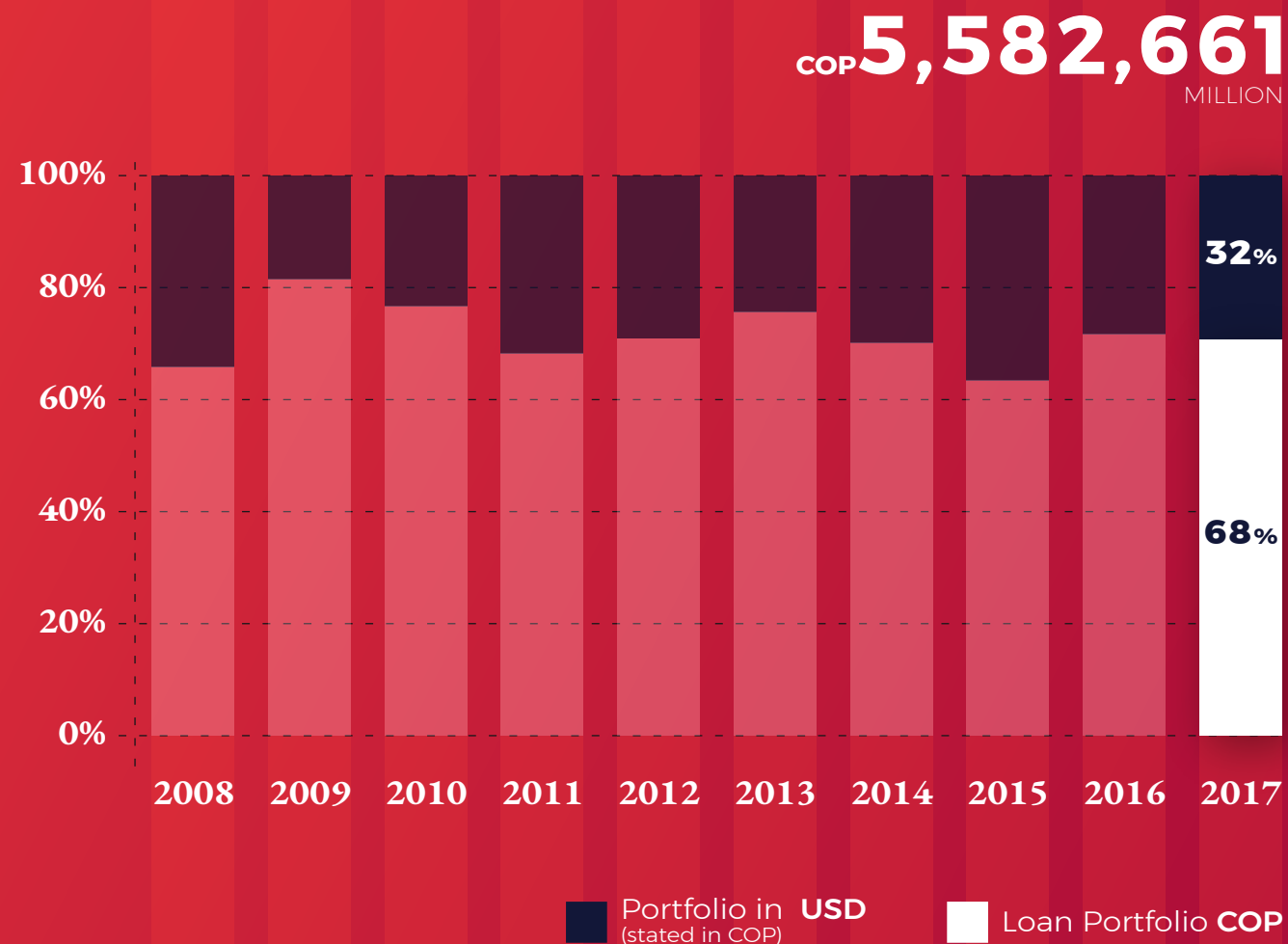
LOCAL CURRENCY LOAN PORTFOLIO



FOREING CURRENCY LOAN PORTFOLIO



TOTAL LOAN PORTFOLIO BY CURRENCY



COMPOSITION OF THE PORTFOLIO

Based on
ACTIVITY
(COP MILLIONS)

Manufacturing industries
\$1,389,062



Wholesale and reatil trade;
vehicle repair
\$1,086,961



Transport and storage
\$902,785



Finance and
insurance activities
\$616,493



Supply electricity, gas, steam,
air conditioner
\$266,622



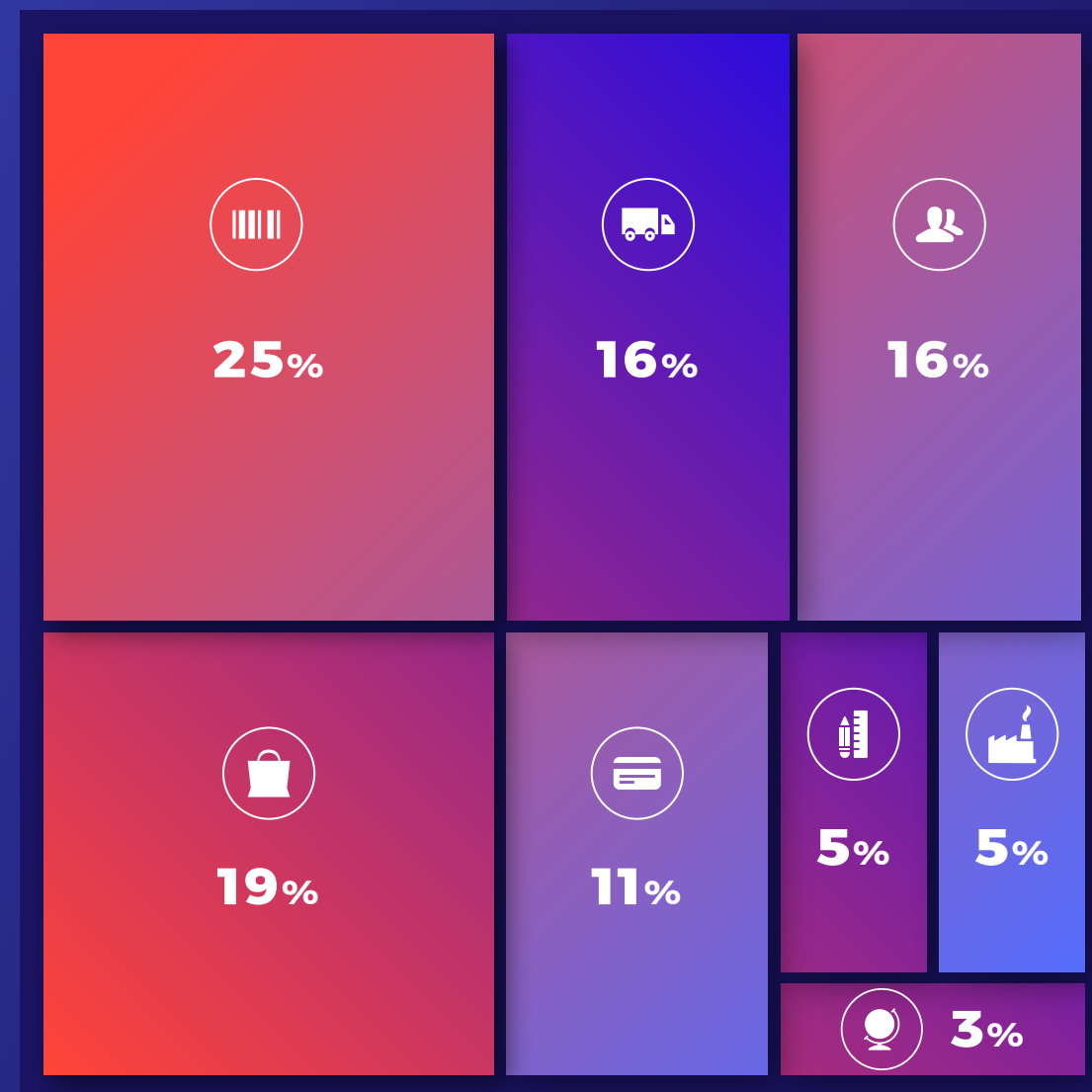
Construction
\$258,330



Professional, scientific and
technical activities
\$179,083



Others activities
\$883,326



COMPOSITION OF THE PORTFOLIO

Based on
DEADLINE
(COP MILLIONS)

1 year
\$473,734



2 years
\$335,897



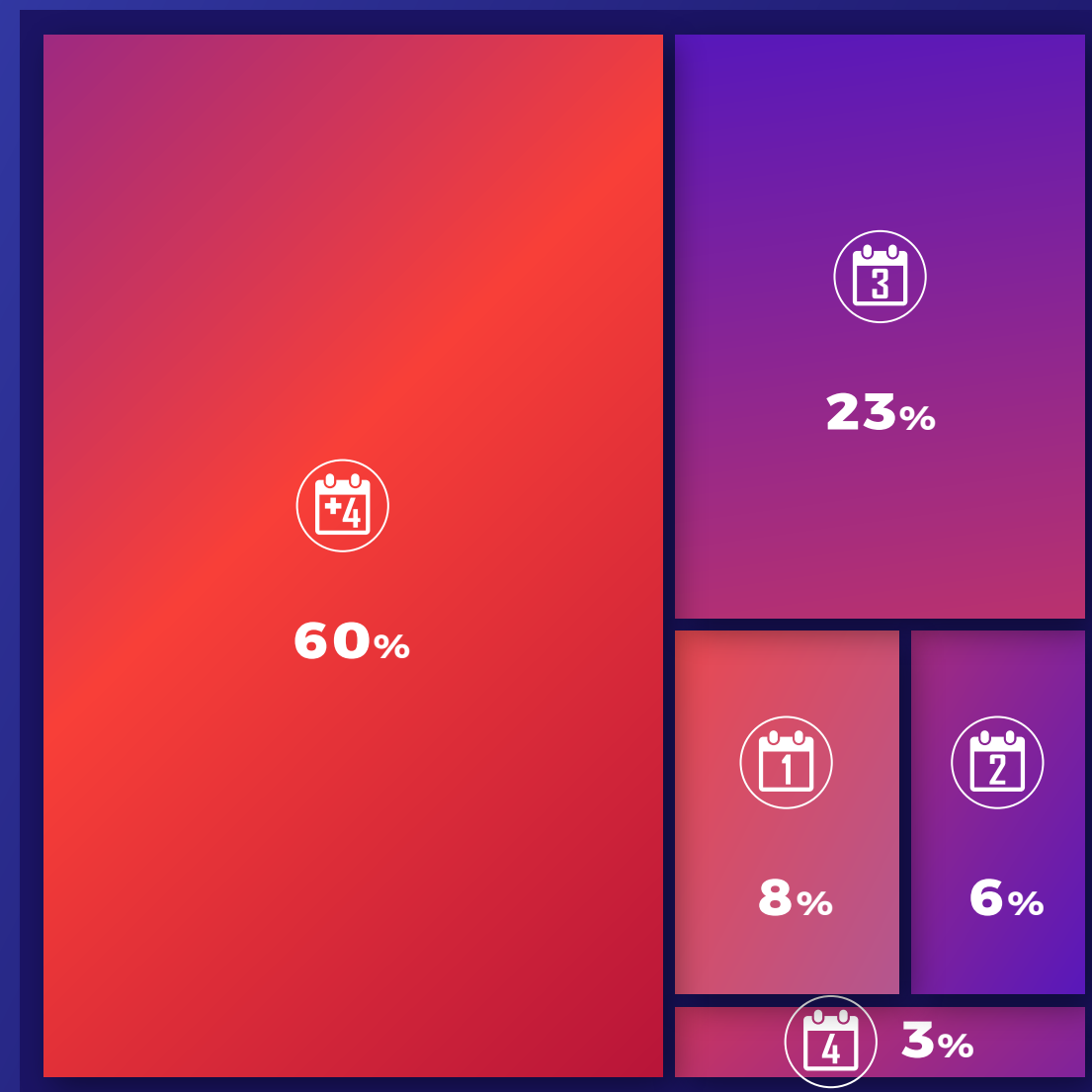
3 years
\$1,256,490



4 years
\$159,820



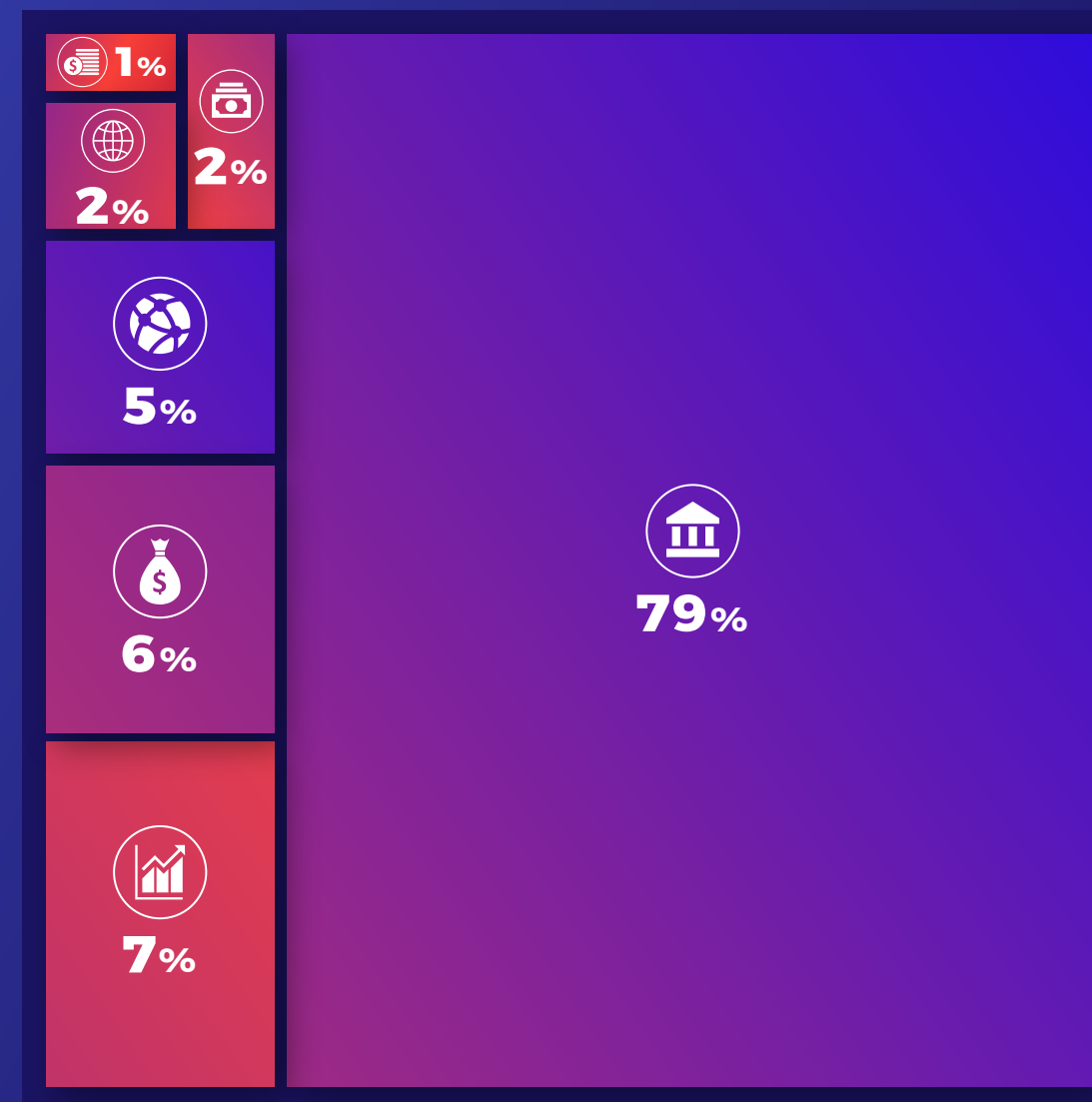
More than 4 years
\$3,356,720



COMPOSITION OF THE PORTFOLIO

Based on
**TYPE OF
INSTITUTION**
(COP MILLIONS)

Banks	\$4,385,552	
Finance companies	\$398,794	
Foreing banks	\$257,054	
NGOS	\$91,880	
Financial cooperatives	\$91,345	
Cooperatives of saving and credit	\$43,486	
Others	\$314,550	



02

BANCOLDEX 
GRUPO **BANCOLDEX**

ANNUAL REPORT 2017

REPORT FROM
**BOARD OF DIRECTORS
AND THE PRESIDENT**
TO THE GENERAL
SHAREHOLDERS' COMMITTEE

Introduction

2017 was a year of great dynamism for the global economy. This determined a greater synchronicity in the growth of advanced economies and of the main emerging markets. In this context, there is a greater appetite for risk by investors, a significant appreciation for equity prices in the United States, and a gradual increase in the price of oil. In the international scale, these better results in terms of growth and employment led to an adjustment of the monetary policies by some of the main central banks. On the other hand, the importance of political issues prevailed in the markets, especially regarding

the economic proposals of the new government in the United States and the general elections in Germany and France.

However, the Colombian economy continued to bear the consequences of the initial oil price collapse, the low performance of mining, construction, manufacturing and household consumption, factors that, together, determined its deceleration. However, the GDP performance and other indicators, such as investment, exports and imports, in the third quarter, generate signs that suggest a turning point, which

allows us to expect a higher growth in 2018, despite being an election year. On the other hand, the inflation drop drove the easing of the monetary policy of the Banco de la República, which led to a decline in interest rates. Finally, the Colombian peso appreciated, and its volatility decreased compared to the one recorded in the previous year.

On the other hand, in 2017, Bancóldex disbursed COP 3.58 trillion and financed more than 70,000 companies located in 30 departments of the country. Throughout the year, the Bank maintained its philosophy of serving companies of all sizes, and more than half of its total disbursements were loans to SMEs.

Throughout the year, the Bank continued to finance the modernization of the productive apparatus of the country, disbursing resources

amounting to COP 1.66 trillion, approximately. Likewise, it disbursed COP 1,05 trillion to 774 exporting companies, which confirms the Bank's support to the export sector and the internationalization of the Colombian economy.

In 2017, the Bank continued to exercise its role as an instrument of the National Government for financial support to companies affected by difficulties in their economic activity and by situations such as strikes and natural disasters, among others. On the other hand, in August 2017, Bancóldex placed COP 200,000 million in the first green bonds auction OF the Colombian public market.

Finally on September 4, 2017, Mario Suárez Melo assumed the presidency of the Bank and with the management team, redefined the strategic priorities for 2018, focusing management

on 6 fronts aimed at strengthening its support to Colombian exporters; to carry out direct credit operations under specific eligibility criteria; to strengthen the attention of micro financial institutions to increase microenterprise credit; the creation of lines of credit under special conditions; to finance and structure green projects and investments that generate positive impacts on the environment and, finally, to make the Bank a relevant player in the structuring of programs and projects that contribute to the corporate and regional development of the country.

THE FOLLOWING IS THE FULL REPORT OF THE BANK'S CONDUCT DURING THE YEAR 2017.

Performance of the economy in 2017

2017 was positive for the global economy. According to the International Monetary Fund¹. In 2017, the global GDP growth rate increased to 3.7%. However, the behavior of the countries in the region was lower with lower growth rates in Chile, Colombia, Mexico, Peru and Venezuela, compared to those observed during the prior year.

¹ International Monetary Fund. January 2018.

² Reduction in the equity levels (treasury bonds and mortgage supported assets).

Global recovery established a guideline to adjust the monetary policy of the main central banks. In the United States, the Federal Reserve (FED) increased the rate overnight by 75 basis points to 1.5%; also in September the FED began a steady decline in its balance sheet². This process depends on the evolution of the economy.

Thus, 2018 is projected as a year of gradual advancement, which will highlight the adjustment process of the respective monetary policy by major central banks. This would generate a mesh of global liquidity; the ripening of the economic cycle in the United States and the definition of a regional political map with the presidential elections in Brazil, Colombia and Mexico. According to the International Monetary Fund, global economic growth will expand to 3.9%.

In Colombia, the economy continued with the

³ According to Consensus Forecast in January 2017 analysts expected a GDP growth of 2.4% for 2017.

⁴ Gross Fixed Capital formation.

⁵ Consensus Forecast. January 2018.

adjustment process of the falling oil prices (2014-2016) and their performance was below what was initially expected³. Thus, between January and September, the GDP accumulated an expansion of 1.5%; the behavior of agriculture, financial services and social services sectors stood out. In the meantime, trade had a low increase of 0.7%, while the mining and quarrying, manufacturing and construction sectors recorded negative annual variations. Regarding demand, the total consumption accumulated by September 2017, remained practically at its expansion pace (2.0%), led by Government expenditure (3.5%) while household consumption slowed down. In contrast, investment components⁴ and imports registered positive variation rates, while the exports component presented a contraction. According to the latter, for 2017, waiting for the final figures, an economic growth is estimated to be close to 1.7%⁵.

Concerning foreign trade, the greatest FOB export growth improved the trade balance, compared to imports. According to DANE, on December 2007 exports reached USD 37.800 million, this amount is equivalent to a yearly variation of 19%, explained mainly by an increase of 32,4% in foreign trade of fuels, and 7,2% in agricultural products. In the meanwhile, on November⁶, FOB imports FOB increased by 3,9% reaching USD 42.440 million. Consequently, on November, the deficit in the trade balance was USD -6.692 compared to USD -10.708 million in 2016. As a result, the deficit in the checking account, as a GNP percentage, is expected to go from 2016 to 2017 from 4,5% to 3,7%⁷.

In December 2017, the twelve-month inflation stood at 4.09%, 166 basis points (pbs) below the one reported in 2016. This movement was led by the slow growth in food prices. Accordingly, in

2017 the Banco de la República reduced the intervention rate by 275 basis points, to 4.75 percent. The decline in the rate of intervention generated a fall in collection rates, while placement rates has more moderate reductions due to the lag in the transmission of the monetary policy.

In the foreign exchange market, in 2017 the Colombian peso (COP) appreciated against the dollar (USD) and the annual MDR-TB average increased from COP 3,053 to COP 2,951. Among the factors that explain this appreciation are the gradual recovery of the oil price, the loss of value of the dollar (DXY index) against major global currencies and the increase of foreign investment.

For the Colombian economy, 2018 is projected as a year of greater dynamism and the analysts forecasts a GDP growth of 2.6%⁸. Among the factors that could help product expansion are: a better

performance of the construction industry, supported by the implementation of infrastructure projects; the revival of investment; greater purchasing power of households actual wage; lower interest rates, which would encourage a demand for credits and higher external demand from some of the country's major trading partners.

⁶The import amounts and trade balance from December Will be published on 14, February 2018

⁷Ibid.

⁸Consensus Forecast. January 2018.

Financial sector⁹

2017 marked a different dynamic for the financial system, compared to previous years. The lowest growth rate was the behavior of new loans and the deterioration of the loan portfolio for most financial intermediaries. However, the levels of liquidity and solvency of the system were maintained at proper levels and reflected the strength of Colombian banking. Likewise, the consolidation of its international regional presence with the leading financial groups in the country was observed.

In this line of thought, the credit risk of the financial sector improved its profile in the past year, which is evident through the payable portfolio quality indicators (both due to delinquency and risk profile) which reached their highest levels in the past eight years¹⁰. The difficulties by several companies in the corporate sector¹¹ impacted in a way that the risk profile quality indicators of the business segment shifted to 10.9%, which is relevant if you consider that this segment participates with 56% of the gross payable portfolio in the system. In this sense, the financial system has made major efforts in terms of provisioning, which has also affected the profitability indicators, allowing them to maintain coverage indicators¹² under acceptable levels to protect the portfolio from additional damage.

Moreover, the impact of the provisions on profitability was offset by the valuations of investment portfolios, given the behavior of market rates. Furthermore, and despite the low portfolio placement, the expansive policy of the Banco de la República benefited the net interest margin of the financial sector. The latter is reflected by a decline of almost 40% net result¹³, which in turn is evident in the profitability indicators¹⁴.

As for the liquidity of the system, the liquidity risk indicator¹⁵ (IRL) suggests that credit institutions have enough levels of liquid assets to comply with their short-term obligations. Despite this, a low resource growth in traditional financing (savings and term deposits) was observed in 2017.

⁹ Includes only credit establishments.

¹⁰ 4.46% due to expiration and 9.69% by risk profile, at the closure of October 2017.

¹¹ Specifically in the infrastructure, construction and energy sectors.

¹² Coverage due to expiration 126.3% and by risk profile 58.17%, at the closure of October 2017.

¹³ At the closure of October 2017, the net result was COP 6.32 trillion.

¹⁴ It is worth noting that in 2016 non recurring income (COP 2 trillion due to the sale of Corficolombiana shares by the Banco de Bogotá to Grupo Aval and COP 400,000 million due to the sale of Cifin by main financial institutions)

which affects the comparison of indicators compared to the previous year.

¹⁵ Banks (311%), Financial Corporations (332%), Financing Companies (287%) and Finance Cooperatives (204%).

Finally, credit establishments maintained a moderate internal capital generation, which is evidenced by a full and basic solvency margin of 16.8% and 10.4%, respectively, exceeding the minimum standards defined by the regulation of 9.0 % and 4.5% and remaining within the average of the past two years. These indicators, as well as the advances in terms of risk management and proper corporate governance practices allow the financial system to have the capacity to absorb endogenous and exogenous shock.



BANCÓLDEX AS A DEVELOPMENT BANK

MANAGEMENT AND ACHIVEMENTS 2017

Corporate financing

During 2017, Bancóldex disbursed credits for COP 3.58 trillion, benefiting more than 70,000 companies located in 30 departments in the country.

Attention to SMEs

Considering the high level of participation in the generation of employment of this business segment, Bancóldex delivered COP 2.06 trillion in loans, keeping the Bank's philosophy of responding to all companies regardless of their size, generating solutions that promote business growth.

Entrepreneurial modernization

One of the key objectives of the Bank was to increase funding for the modernization of the productive system. To do this, they disbursed resources for COP 1.66 trillion, approximately COP 100,000 million more than in the previous year.

Support the internationalization of the economy

The Bank continues to promote foreign trade, supporting the internationalization of the economy with emphasis on market diversification and the opportunities generated by the FTA. COP 1.05 trillion were disbursed to 774 exporting enterprises for this purpose during this period.

Microfinance

During 2017, the Bank continued to work on strengthening its attention on this segment. It disbursed credits for COP 658.285 million benefiting more than 60,000 micro businesses.

To serve this segment, Bancóldex has a network of 68 institutions oriented to microcredit business throughout the country.

Bancóldex Capital program

Through this program, Bancóldex has made investment commitments for COP 164.067 million in multi-sectoral funds. Thanks to these investments, resources mobilized from third parties were COP 1.9 trillion, that is 12 times the amount committed by the Bank. This amount, COP 824.085

million has addressed to Colombian companies, in different sectors and stages of growth.

Supporting regions that have difficulty due to economic circumstances

In conjunction with the national Government and the Ministry of Commerce, Industry and Tourism, several lines of credit were established under special conditions, aimed to support the business sector in border areas, especially in the departments of Norte de Santander, Arauca, and La Guajira, which were affected by the closure of the border with Venezuela. Likewise, the Bank provided support to the national Government to mitigate the impact of situations such as the strike in the municipality of Buenaventura, and natural disasters such as the avalanche in the town of Mocoa in April this year, among others.

Issuance of green bonds

In August 2017, Bancoldex placed COP 200 billion in the first Colombian public market green bonds auction. With this issuance, the Bank will have more resources to fund projects related to sustainable construction, cleaner production, energy efficiency and renewable energy, among others, required to reduce the impact of Colombian companies on climate change.



BUSINESS UNITS ACHIVEMENTS

The business unit of global flows focused on servicing the export sector, disbursed more than COP 1 trillion to finance exporters and strengthen foreign investment in Colombia. Likewise, the International Expansion Unit disbursed more than COP 500,000 million to finance companies which have their own position abroad or that are in the process of exporting their business model to other countries.

On the other hand, the Business Scaling unit that serves the domestic company sector (domestic market), disbursed COP 1.32 trillion, which mostly addressed business modernization processes of SMEs. Regarding attention to micro- and small enterprises¹⁶, the Productive Insertion and financial Inclusion unit disbursed COP 658,286 billion.

Regarding the companies in the early stage segment with high growth potential, the Bank continued consolidating this segment through the Extraordinary Growth business unit, reducing an important gap of funding via debt of these companies. In 2017, the Bank generated two new lines of credit, through which it funded 90 companies with expenditures of COP 17,877 million.

¹⁶ Small enterprise: With assets up to 1.250 SMLV.

NON-FINANCIAL PRODUCTS

Dynamic ecosystems

The purpose of this unit is to contribute to the consolidation of our development activities providing non-financial support to entrepreneurs to accompany them in the development of their growth projects. Its work aims to:

Coordinate Ecosystems Intelligence

During 2017 different products were developed to promote diversification and sophistication of the companies in the country:

- A methodology was developed to "identify diversification and sophistication opportunities in companies - LIGHTHOUSE", which provides a personalized accompaniment that enables

them to identify their opportunities with exporters in the country of sophisticating, high value products in international markets.

- Developed the methodology for using the free trade agreements, which allowed the identification of 438 exporting companies with diversification potential into new markets of countries with FTAs under negotiation, such as Australia, Canada, New Zealand, and Singapore.

- Developed 33 departmental reports, 50 business reports with diversification and sophistication possibilities and 2 industrial reports on sophistication in clothing and oil chemistry.

- In April 2017, a contract was signed with the Center for International Development (CID) at Harvard University for the development of DATLAS 2.0, which allowed the inclusion of the

agricultural census and other complementary sources to this tool for a detailed description of the agro-industrial activity in all the departments and municipalities of the country.

Coordinating Project Structuring

Two new services from the unit's project structuring were launched in 2017: Delta Program and Pioneering Program. These instruments are part of the area purpose of providing accompaniment for conceptualizing and structuring business growth projects and demonstrating the commitment of Bancóldex in deepening its range of non-financial services to complement the financial offer.

DESCRIPTION OF THE SCOPE AND ADVANCES OF EACH INITIATIVE.

Delta program: this program aims to improve the capabilities of companies to structure projects that allow them to grow and create value, and to offset the tax benefits instrument for investment in R & D, to which few companies in the country apply.

Version 2017 of the Delta program opened 15 slots to accompany companies domiciled in Bogotá, Cundinamarca, Risaralda and Caldas, to undertake activities related to the sectors where the Ministry of Commerce, industry and tourism has been working on: metalworking, chemicals, agri-food, fashion system, 4.0 industries, software, IT, BPO, KPO, ITO - and tourism.

The call for proposals to select beneficiary companies began on September 13, 2017 and closed on January 31, 2018. On December 15 it had 28 candidate companies, out of which 13 are located in the Bogotá-Region and 15 in the Eje Cafetero (Caldas and Risaralda).

The plan is for the projects of the beneficiary enterprises to be presented to apply for the call for tax benefits, before May 31, 2018.

Pioneers program: considering the interests from different companies to explore more deeply the opportunities for diversification of their current portfolio, the Pioneers Program was designed, which offers specialized technical support for the identification, prioritization, and usage of these opportunities, in a way that the necessary inputs are generated to validate the feasibility of structuring an investment proj-

ect that supports the new line of business for the participating companies.

Coordinating Business Training and Consulting: the business consulting programs and training activities focused on three thematic areas: strategic management of business model, corporate governance and financial restructuring.

Consulting programs

Companies of Exporting Excellence - 3E: during the first semester of the year, the third wave of the 3E program ended, where 38 companies dynamized their international business model and conducted market validation, customer, and business model exercises, culminating with a detailed work plan.

In addition, to complement and enrich the

scope of the provided consultancy to the beneficiary companies of the first and second waves, a call was opened to develop the "3E Program - accompaniment to beneficiary companies waves I and II", which included new elements of the methodology used in wave III.

Governance in family businesses: with resources from international cooperation of the IIC¹⁷ a direct technical assistance (DTA) was developed to strengthen Governance in family businesses. With this program the Bank's clients benefited 8 companies in the cities of Barranquilla, Bucaramanga, Pereira and Ibagué. Within this framework, the beneficiary companies developed a strategic family vision and implemented / improved family protocols, additionally strengthening the organs of Governance in the family and the company.

¹⁷ IIC: Interamerican Investment Corporation-IDB.

¹⁸ IFC: International Finance Corporation -World Bank Group.

Strengthening Regional Transformation Capabilities: the purpose of this program was to strengthen the regional offer for specialized consulting, which was a training exercise for 12 consultants in the Atlantic, and in the process, advised six companies in competitive strategy and three companies in Corporate governance. This initiative was developed in partnership with the Chamber of Commerce of Barranquilla, and the issue of Governance was supported by the IFC¹⁸ of the World Bank.

Strengthening Management Capabilities

Comprehensive Strategic Intervention Program - PIIE: in 2017, the Bank developed the EIIP - 2.0, which is a corporate intervention scheme, which takes best management training practices and a few consultancy elements, to build specific knowledge in a collective way. This program

integrated the three thematic lines: competitive strategy, business model generation, good governance for business sustainability and growth of financial structure. Eight (8) programs were supported and co-financed by regional allies such as chambers of Commerce and associations, with the participation of 105 companies and the attendance of 306 executives. Additionally, it benefited 36 of these companies with individual accompaniment in strategy and financial structure led by an expert.

Virtual Training Activities: to achieve greater coverage and regional coverage of business-building activities, Bancoldex strengthened its strategy of strengthening managerial capabilities through ICT with free navigation e-learning (Mooc - Massive Online E-learning Open Courses) and courses under a fresh scheme of deepening and accompaniment that

allowed companies to execute the knowledge acquired. Under these virtual training methodologies, 1.480 entrepreneurs from 113 cities and municipalities in 31 departments of the national territory were benefited.





ACHIEVEMENTS OF BANCÓLDEX STRATEGIC PROJECTS

Mobilization for transformation¹⁹

In 2017, the construction of leadership capabilities within the Organization advanced to contribute to the consolidation and development of corporate strategy.

Nine workshops were held at all levels of the Organization, focused on the appropriation of the shared purpose and building strengths around teamwork.

Regarding the organizational culture of the Bank, eight²⁰ values were defined and four were prioritized for 2017²¹. The behaviors related to the values of the organizational culture were built, to design activities that contribute to their appropriation within the Organization.

¹⁹ Activation for Mobilization around the Bank's Transformation Plan. It is focused on the participation of all collaborators, empowering them, and providing knowledge and tools to build collective leadership within the organization.

Bancóldex capitalization

The institution of the Inter-American Development Bank IDB Invest, formerly known as the Inter-American Investment Corporation - IIC, expressed its interest in participating in the capitalization project of Bancóldex. After the completion of the due diligence process the IDB presented its investment and financing proposal, which is being evaluated by the shareholders of the Bank.

Corporate governance

At the end of 2017, Bancóldex managed the implementation of the 45 recommendations of the International Finance Corporation - IFC and the World Bank in corporate governance.

²⁰ Passion for Service, integrity, responsibility, excellence, Will to change, teamwork, promoting diversity, meritocracy.

²¹ Passion for Service, integrity, responsibility, , Will to change.

In 2018, it will work in consolidating the strengthening the corporate governance of Bancóldex, with the full implementation of the recommended actions and processing of the required regulatory changes.

Alignment of Bancóldex and its affiliates

Under the framework of the definition of the Bancóldex Group, the following achievements for the twelve (12) working fronts that support the development of the project are highlighted:

- 1**-Unification of strategy, policy and guidelines.
- 2**-Unification of suppliers and joint negotiation as a group.
- 3**-Standardization of methodologies and criteria.

4-Unification of models and schemes.

5-Unification of four (4) committees with group focus.

6-Eight (8) integration processes with group approach, in research functions operations and Treasury front economic analysis.

7-Services and technological integration related to inter-headquarters applications and network connectivity, definition of the visual identity and development of the products and services of the group portal.

Design of the productive insertion and financial inclusion vehicle

The design of the mechanism to respond in different ways to micro and small enterprises with great challenges in productivity and con-

tribute to their inclusion in the productive sector began in 2017. For this, the consulting firm Designit²² was hired in February 2017, and promptly delivered its recommendations.

Although the scope of the project was fulfilled, the senior management of the Bank made the decision of not developing the initiative of creating an independent vehicle for the attention of micro-enterprises, maintaining this activity within Bancóldex.

Implementation of Fund of funds

In February 2017, the rules of the Fund of funds investment were filed before the Financial Superintendence. In the month of October of the same year, the Financial Superintendence ruled favorably by issuing a concept of "Non-objection" to the regulation.

On the other hand, there was continuity in the process of obtaining capital and having the initial acceptance of local investors, who are conducting a due diligence process to the Fund of Funds vehicle.

Business Intelligence - BI Project

In July 2017, the Bank defined with the aid of a third party, the Bank Business Intelligence Strategy 2018-2022, an internal governance for information management model was designed and the Bank shall evaluate the recommended tools.

CRM²³

During the year 2017, the structuring, procurement, development and implementation stages of the CRM - Bancóldex project were undertaken. The Sales and marketing modules were

²² Designit Spain Digital S.L.: Spanish Consultant firm expert in Service design.

²³ CRM: Customer Relationship Management.

implemented in a scheme of Software as a Service (SAAS) with cloud storage, and the tool went live on December 18, 2017.

The premises under which the project was developed were the integration between areas, designing a platform that allows all users to know what is carried out at all levels of the organization with interest groups, guaranteeing a Cross-flow of information, knowledge and customer relations.

PETIC (SPICT)

This project includes the strategic planning of information and communications technologies based on the business within a period of 5 years (2017-2022).

The plan made 75 initiatives or projects focused on 4 strategic pillars:

- 1-Business boost.
- 2-Strengthening it management.
- 3-Strengthening risk management (security and continuity).
- 4-Optimization of the technological platform.

Additionally, the framework for the application of ICT in the Organization was defined, and the projects portfolio was established, including its objectives, description, scope, alignment with the business, priority, complexity, benefits, risks, regulatory framework and interested parties' strategy.

Likewise, the roadmap for the implementation of various initiatives and projects was established, including the assessment and consideration of subsidiaries and the main ICT indicators were defined to establish a scorecard.

Savings account

The development of the tools, functions, processes and documentation required for the operation of the product was completed in 2017, and it was presented before the Financial Superintendence of Colombia.

The project strengthened cross-cutting aspects of the Bank such as: transactional fraud risk and LAFT monitoring scheme for all products of the Bank, integration with the ACH transfer system, strong authentication for direct customers

system, PSE button for bank documents (under development) and strengthening database and platform security of the Bank for their web interaction.





**STRATEGIC SECTOR PLAN
OF THE MINISTRY OF
COMMERCE, INDUSTRY
AND TOURISM - PES 2017**

WITHIN THE 2017 SECTORAL STRATEGIC PLAN, BANCÓLDEX HAD THE FOLLOWING COMMITMENTS:

Strategic 1

Mentality and culture

Initiative:

Powerful regions

Entrepreneurs receiving technical assistance: during 2017, 354 entrepreneurs received technical assistance, with a compliance of the indicator of 236%.

Initiative:

Grow camp 2017

Entrepreneurs who receive training on business growth: Grow camp 2017 training was held on August 14 and 15. 1.059 entrepreneurs from 23 departments, participated in conferences, spe-

cialized workshops and connection spaces, on business growth.

Estrategia 2

Knowledge and technology transfer

Initiative:

Sophistication opportunities

During 2017, 9 companies were linked to the Delta Program and 10 projects were structured.

Initiative:

Diversification and sophistication of Colombian export

Preparation of action plans for 5 companies with the purpose of stimulating the sophistication of its exports was supported.

32 departmental reports using the Atlas of eco-

nomic complexity - Datlas Colombia were prepared with the same purpose. The reports are available at:

 campusvirtual.bancoldex.com/course/

Initiative:

Financial structuring for growth

The goal for 2017 was 12 businesses with a new defined financial structure. However, this deliverable was not executed since their development depended on the reallocation of resources from the National budget, from Bancóldex profit for the period of 2016. In 2017, an agreement with the Ministry of Commerce, industry and tourism - MinCit was signed, and resources are expected to be allocated to the Bank in 2018, so that such interventions can be carried out during that year.

Initiative:

Corporate competitive strategy

During 2017, 6 companies completed the strategic intervention process under the framework of the program "Strengthening regional capabilities" with the Chamber of Commerce of Barranquilla.

Initiative:

Corporate governance for companies that dare to grow

At the end of 2017, 11 companies had completed their implementation of corporate governance.

Strategy 3

Financing

Initiative:

Disbursements for COP 665.000 to increase the productivity of microenterprises

During 2017, Bancóldex disbursed COP 556.836 million to micro-enterprises. Despite not meeting the goal on loans raised for the year, the compliance percentage is high, 84%, considering that there was a significant decrease in demand for credit for micro-enterprises, given the economic situation of the country during 2017.

COMPLIANCE OF THE GOALS WITH THE NATIONAL DEVELOPMENT PLAN 2017

Operations of export companies that are beneficiaries of Bancóldex financial products

For 2017, the goal of the Bank was to disburse 1,450 operations to this business segment. In the year 1,517 operations amounting to COP 1.05 trillion were disbursed, benefiting 774 exporting companies with which the goal of the period was met at 105%.

Investment commitments in private equity and entrepreneurship funds

The goal of bank investment commitments in capital funds through its program Bancóldex Capital 2017 was COP 116.843 billion. Resources for COP 164.017 billion in 12 equity funds were pledged, which allowed for a 140% compliance, widely exceeding the established target.

BANCÓLDEX AS PROGRAM MANAGER



**BANCA DE LAS
OPORTUNIDADES**

Investment program "Banking of opportunities" (Bdo) was created by Decree 3078 on September 8, 2006, and supplemented by the Decree 2555 of 2010, to promote access to financial services to low-income families, micro, small & medium companies and entrepreneurs. The program is the executor of the Financial Inclu-

sion strategy adopted by the intersectoral Committee on Financial Inclusion, created by the national Government. This program is managed by Bancoldex.

Within the main achievements and results of 2017, the following stand out:

- The level of coverage is maintained at 100% financial presence in the entire territory of the country which was reached on 2015.
- From January to September 2017 931.870 new people entered the financial sector, allowing for the percentage of adults with a financial product to amount to 79.1%, which means that 26.6 million adults have some formal financial product. This indicator compared to the one registered in September 2016 of 77.4% presented an increase of 1.8 percentage points.

- Regarding total loans disbursed to microentrepreneurs through banks, financing companies, microcredit NGOs and cooperatives, disbursements were COP 7.61 trillion from January to September 2017.

- Projects aimed at improving access, use and quality of financial products through programs that were focused to consider the most vulnerable population in the country, which have contributed to an increase of the financial inclusion indicator, were implemented in 2017.

- In the field of financial education, in June 2017 the National Economic and Financial Education strategy was launched and the 2018 work plan was approved in December. It continued to participate in the Intersectoral Commission of economic and financial education and leading the Vulnerable Population Subcommittee for micro and SMEs.

- As for information management, four financial inclusion quarterly reports were generated in the country and the sixth annual Financial Inclusion report was launched at December 2016, which were prepared jointly with the Financial Superintendence of Colombia.

- In 2017, it developed and implemented a data and business intelligence warehouse (BI) solution was developed and implemented to consolidate internal and external information of the banking opportunities investment program, which allows for a fast, timely and dynamic way to generate the necessary reports for financial inclusion analysis in Colombia.

RISK RATINGS



In 2017, Fitch Ratings confirmed local F1 + and AAA ratings awarded to Bancóldex for short and long terms respectively, with a stable outlook. On the other hand, BRC Standard & Poor's confirmed the AAA ratings for the long-term and BRC 1 + for the short-term.

Regarding foreign currency rating, Fitch Ratings Inc., kept the BBB rating with a stable outlook. The foregoing, based on sovereign rating of the Republic of Colombia carried out by this institution.



FINANCIAL MANAGEMENT

Financial results

The year 2017 developed in a favorable environment for income generation. The investment portfolio had a 140% compliance, according to the downward movement of the fixed income yield curve due to the recovery in oil prices and better expectations on the fiscal front of the Colombian economy.

The Bank portfolio strategy focused on maintaining, as of the second semester, a low investment amount, at levels close to COP 700 billion with low duration, in accordance with the liquidity management strategy and aiming to maintain a proper level of liquidity risk indicator of (IRL). In the first four months, the strategy was slightly longer in amount and duration, which favored the income valuation of the portfolio, which was

adjusted and settled at the beginning of the month of May, in order to liquidate profits.

Despite lower disbursements of 2017, the total credit portfolio showed an increase of COP 45.773 billion (43%) in the intermediation margin compared to the previous year. Growth is explained by the following reasons:

- Decrease in the cost of funds in pesos: flexibilization of the monetary policy that was experienced in 2017 thanks to a lower cumulative inflation, resulted in a reduction of up to 275 basis points on the intervention rate and thus generated a fall in the market uptake rates. In addition, the reduction in the duration of the funding strategy also favored significantly the mixture of Bancóldex resources in local currency.

- Increase in the foreign currency portfolio margin: the dollar portfolio presented a better performance due to the increase in the loans term, which went from 3.1 years in 2016 to 5.7 years in 2017. This contributed to the level of average balance to remain similar to the previous year, despite lower outlays.

THE FOLLOWING ARE PART OF THE INITIATIVES CARRIED OUT FOR FINANCIAL MANAGEMENT DURING 2017:

- In August of 2017 Bancóldex carried out successfully its first issuance of green bonds through the Colombia stock exchange, worth COP 200,000 million in a 5 year term, obtaining demands by 2.55 issued value and 7.10% rate AR.

This issuance is the first of this type carried out in the Colombian public stock market. It seeks to channel resources from the capital market and allocate them exclusively to business projects that generate environmental benefits, in all economic sectors.

The broadcast featured technical cooperation from the Inter-American Development Bank

(IDB) and the State Secretariat for Economic Affairs of Switzerland (SECO).

- In March 2017, the first denominated hedge derivative was incorporated into the risk management structure of the balance sheet. This instrument allowed the Bank to mitigate the impact on equity by the investment volatility in USD exchange rate (shareholder position in Bladex and FCP²⁴) and which are classified as available for sale in accordance with its permanence vocation. The above, considering the alternatives available in the market for coverage, as well as the existing legal framework which enables this type of coverage through the CE²⁵ 100 of 1995 the Financial Superintendence of Colombia, Act 1314 of 2009 and the NIC 39 standard.

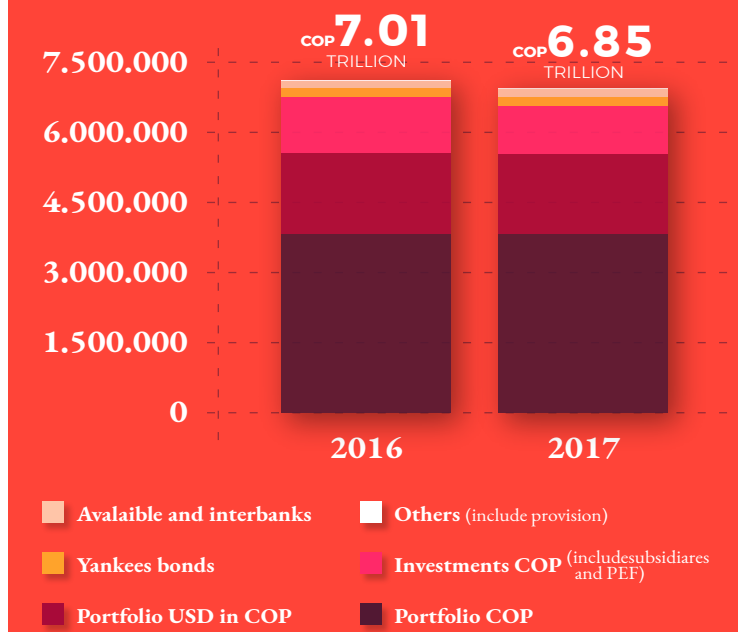
- Another important part of financial management, is tax planning developed by Bancóldex.

After a rigorous audit process executed by the Bank, the Dirección de Impuestos y Aduanas Nacionales (DIAN) approved the return of the credit balance originated by the income statement of the year 2016 worth COP 18.715 million.

²⁴Private Capital Funds.

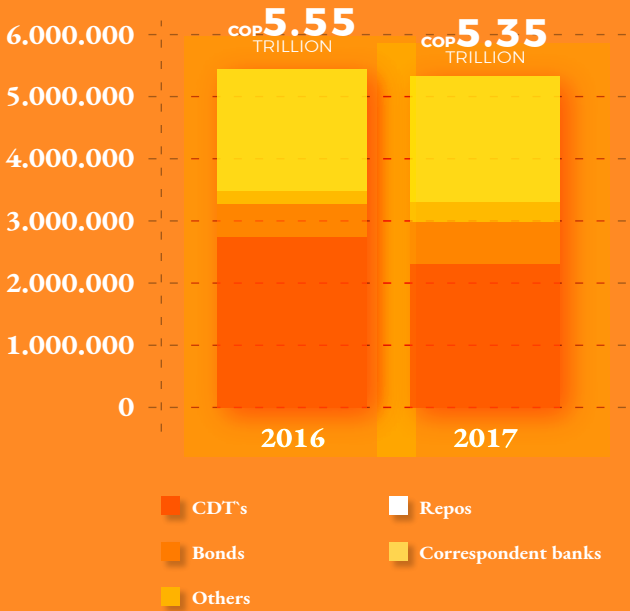
²⁵CE: External Circular letter.

ASSETS



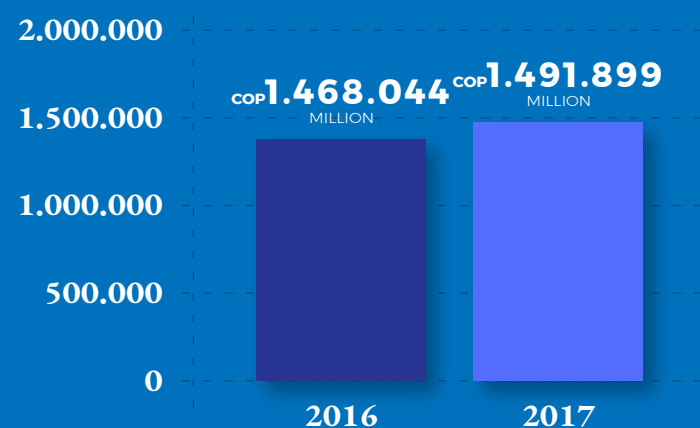
Compared to December 2016, the assets of the Bank showed a reduction of COP 167,932 million (2.40%). In general terms this variation is due to the normal operation rotation. This reduction is focused on liquidity (represented by the available and investment portfolio) which increased during the last quarter of 2016 as part of the strategy that the Bank's Treasury developed to generate profits and care for future resource requirements. In terms of net loan portfolio, it didn't have an important variation in the balance, where 2017 closed with COP 2,725 million more than the previous year (0.05%).

LIABILITIES



Compared to December 2016, the liabilities of the Bank decreased by COP 191.786 million (3.46%). This decline is explained because the resource uptake in pesos (including money market operations) presented a fall of COP 363,203 million, which is due to the difference between the reduction levels in CD (COP 467,337 million), cancellation of repo operations (COP 95,866 million) and the issuance of green bonds for COP 200,000 million.

EQUITY



The equity of the Bank increased by COP 23,854 million compared to December 2016, this result is explained by the following factors:

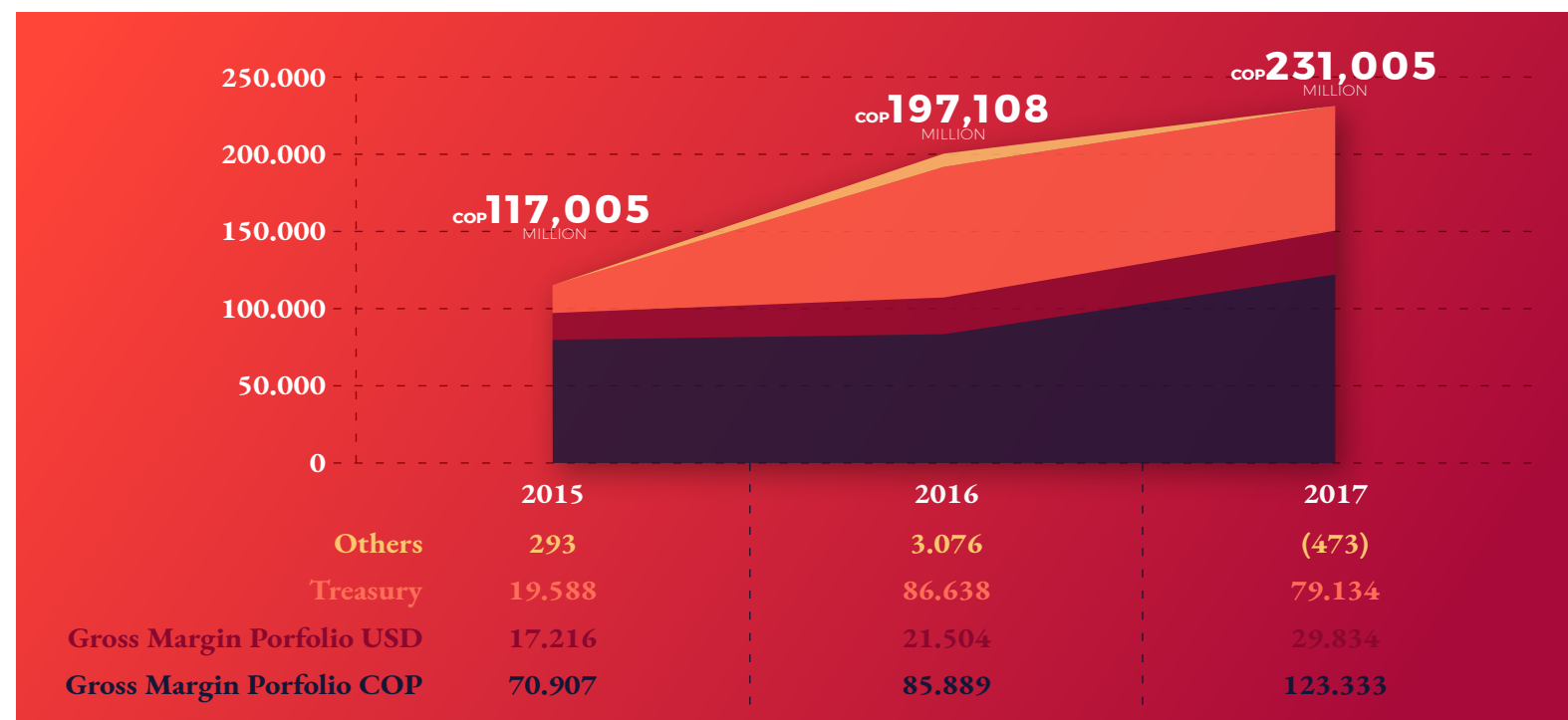
- Increased surplus of COP 28,757 caused mainly by the portfolio behavior which affects other integrated results (ORI) and by the valuation of property, plant and equipment.
- Increased reserves for COP 12,620 million.
- Less accumulated profit on the 2017 period for COP 17,522 million.

FINANCIAL MARGIN

Gross financial margin for 2017 presented an increase in COP 34,720 million (18%) over the previous year; while the investment and forward portfolio contributed significantly to the financial margin, the loans behavior, both in pesos and dollars, explains the increase in this

item compared to 2016.

The lower cost of funds for the portfolio in pesos followed by foreign currency placements in longer terms and hence to higher rates, improved brokerage margin.

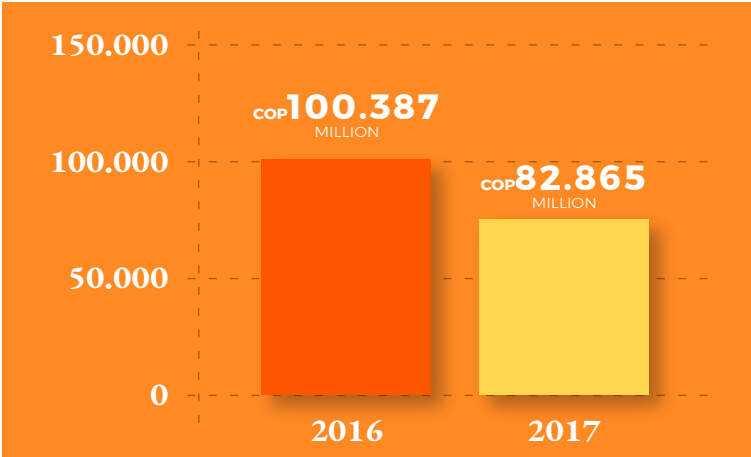


Brokerage margin	2016	2017	Var
COP Portfolio margin	0.81%	1.87%	1.06%
USD Portfolio margin	1.19%	1.72	0.54%

PROFIT

The accumulated profit at December 2017 (COP 82,865 million) was lower than the accumulated profit for the same period in 2016 (COP 100,387 million). Despite the increase in the gross financial margin (COP 34,720 million) explained in the previous paragraphs, the total value of the Bank was lower compared to 2016, due to the following factors:

- The increase of income tax by COP 41,949 million (252% variation over the previous year, from COP 16,615 million in 2016 to COP 58,562 million in 2017). During the 2016, the calculation of the tax was determined by the presumptive income system (effective return rate of 14%), while in 2017 the tax was calculated with the ordinary income system at a rate of 41%.



- Other income account recorded loss of COP 8,149 million in 2017 due to the equity sharing method, which includes the portion of the results of subsidiaries according to their total equity share.
- Less spending on other taxes of COP 8,440 billion (mainly by equity tax).
- Increase by COP 4,109 million for operating costs (6%), which was at levels very close to inflation for the year 2016 (5.7%) and was lower than expected as a result of the guidelines established by the Bank's management, aiming to improve efficiency in spending levels, which represented going from an efficiency indicator on the MFB²⁶ of 33% in 2016 to 29.8% in 2017.

²⁶Gross Financial Margin.



RISK MANAGEMENT

Risk Management Credit System (SARC)

Certain adjustments to methodologies for risk assessment of financial intermediaries in Colombia were made, and the follow-up process of different types of debtors through reports and alerts continued to strengthen during 2017. In addition, policies and direct credit methodologies for companies were adjusted. On the other hand, a review of the methodology for the estimation of risk components for the definition of pricing of the different segments of the portfolio, were reviewed with the support of an external consultant.

Market Risk Management System (SARM)

The valuation methodology for coverage forwards operations, which allows to mitigate exchange rate of overseas equities and funds from private foreign currency (USD) capital risk was defined in 2017. Likewise, the methodology for the effectiveness of such coverage, was developed and implemented in line with best market practices. On the other hand, and in compliance with international regulations on derivatives, figure of "Valuation Agent" was adopted, whereby Bancóldex is meant to evaluate daily the agreed covenants with each counterparty which whom it has signed contracts ISDA - Credit Support Annex - CSA and call them to order. This mechanism makes it possible to mitigate the risk of forward market and credit operations COP / USD held with foreign financial intermediaries.

Liquidity Risk Management System (SARL)

The regulatory calculation of the indicator's short-term exposure - IEC (Banco de la República) was implemented, which measures the liquidity risk across currencies (COP and USD) to Bancóldex individually and at a conglomerate level. On the other hand, to improve the cost of anchoring on market monitoring, a methodology was designed and implemented to track rates at which CDT are captured. Additionally, in the context of the Savings Accounts product, the methodology of maximum Probable Withdrawal - MRP was updated and alerts were designed to measure and manage the concentration of investors who capture resources through this product.

Operational Risk Management System (SARO)

Through risk self assessments and controls, all the risks, controls and risk treatments of the Bank operation were reviewed. Likewise, risk self-assessment and process controls were complemented, by strengthening or improvement of controls, as well as treatments and action plans on both specific elements as transversal processes.

A new tool - Monitor Plus was implemented, which in a first stage, will serve to monitor the transactional fraud for the savings account product. Regarding the detection stage of potential fraud and corruption situations, the ethical line Bancóldex remained at the disposal of the Bank and its stakeholders and policies and a transactional fraud management model were built.

Aiming to strengthen synergies with the Bancóldex subsidiaries, Arco, and Fiducoldex, work was done to align the operating risk management system - SARO in matters related to corporate governance, policies and methodologies, among others aspects. There is currently a complete lineup of SARO in the three entities.

Information Security and Business Continuity (SGSI)

In information security, we continued to work on synergies with subsidiaries and as a result policies and methodologies were unified under the ISO 27000 framework and online Government. In the field of business continuity, the partial consolidation of infrastructure contingency with Arco and the improvement and strengthening of the Plan of business continuity of the Bank are worth noting.

On the other hand, policy requirements in terms of information security were honored, especially regarding protection of personal data and online Government. Likewise, initiatives to strengthen information security and business continuity plans were implemented.

Conglomerate Risk Management System

The Bank's management continued to strengthen the monitoring of the level of risk of subsidiaries and related schemes and deepened into the analysis of comprehensive risk of counterparties. In addition, within the framework of the synergy project with subsidiaries, it advanced in the definition of the framework of general risk policies of the conglomerate, as well as in the alignment of the identification, measurement and monitoring of the different methodologies

types of risks and identification of synergies associated with handling different risks (credit, market, liquidity, operational, information security and LA/FT). At the end of December 2017, the risk policies of the conglomerate were approved by the Board of Directors. This added to the strengthening of the coordinating bodies of the Group's risk management.

Administration System of the Money Laundering and Terrorism Financing Risk (SARLAFT)

In 2017, this system allowed the Bank to prevent and mitigate the risks of money laundering and financing of terrorism (LA/FT) in transactions and contracts made by the entity. The SARLAFT Manual was updated, with policies and procedures to strengthen the process of proper client identification and it was incorporated as required

by the External Circular 055 of December 2016, issued by the Financial Superintendence of Colombia in terms of the identification of final beneficiaries, additional due diligence to publicly exposed people (PPEs) and financial sanctions led by the United Nations.

Similarly, the risk profile for LA/FT was monitored for risk factors, associated risks and the consolidated Bank, both inherent and residual, keeping the latter within the level approved by the Board of Directors.

Implementation of the new monitoring system for customers and transactions began, which will support management of LA/FT risks by profiling customers, consolidating information models for monitoring and detection of unusual and suspicious transactions. Similarly, along with the compliance officers of the two subsidiaries

of the Bank issues relevant to alignment of main policies and synergies on compliance management of Bancoldex Group entities were defined.

Finally, all regulatory SARLAFT reports and specific requirements of the different competent authorities were promptly attended.

Compliance of FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting standard) System

In compliance with provisions in the FATCA law, for 2017, the bank kept its status of Foreign Financial Institution (FFI) with the United States Internal Revenue Service (IRS). FATCA intermediaries and financial institutions due diligence was updated with which the bank kept links or operations and discussed the requirements of

local and international financial institutions on FATCA and CRS (Common Reporting Standard) of the OECD (Organization for cooperation and economic development).

INTERNAL CONTROL SYSTEM

The Internal Control System (SCI) of Bancóldex is based on the existing Internal Control models applicable (MECI, CIC, COSO) as well as on the provisions for the "Internal Control System" for financial institutions supervised by the Superintendence of Colombia, established and regulated by this entity. The Internal Control model aims for a permanent improvement of the organization looking for best practices in different processes, elements and components of the management systems applicable, specifically,

risk management, quality, Prevention, and security systems required by current regulations.

As a result of the comprehensive audit conducted by the Office of the Comptroller-General in 2017 on the 2016 period, this body issued an opinion without reservations about the financial Statements of the Bank, described the Internal Control system with an overall 95.55 out of 100 points and closed the Bancóldex account for the fiscal effects of 2016.

On the internal accounting Control system, the opinion on the financial statements for 2016 did not change in relation to the opinion of the 2015 period, where opinion without novelty was obtained. This gives reliability to the Organization in the resource management and the fulfillment of objectives and goals.

Under the methodology of the Contaduría General de la Nación, (National General Accountancy) the internal accounting Control system received the rating of "Efficient" in the 2016 evaluation and obtained a score of 4.83 out of 5 (resolution 193 2016).

In 2017 the auditor of the Bank implemented the survey on the status of the standard Internal Control model - MECI regarding the period 2016 reflecting a maturity of 82,67% out of 100% which is considered as "Satisfactory". Evaluations of the SCI were also made for processes and based on risks, according to what was prioritized in the annual audit Plan approved by the Audit Committee of the Board of Directors.

The Audit Committee of the Board of Directors was kept informed about the recommendations and improvement opportunities of this manage-

ment, as well as the results of follow-ups to related actions, allowing it to verify the adoption of these recommendations.

At the end of 2017 neither management, or internal and external supervisory bodies of the Bank, or the Audit Committee detected fraud, malicious mistakes or manipulations of financial information prepared and disclosed by the Bank, nor were there significant weaknesses reported that could put at risk the effectiveness of the Internal Control System.

LEGAL STATUS OF BANCÓLDEX

At the end of the 2017 fiscal year, Bancóldex maintains its legal regime of mixed economy company on the national agenda, linked to the

Ministry of Commerce, industry and tourism and organized as a credit bank establishment, not assimilated to the regime of industrial and commercial companies of the State, regardless of the State's share in its capital. However, due to its public entity nature, Bancóldex maintains a legal regime of private law concerning its acts and contracts, in accordance with the statutory and regulatory provisions governing the matter, allowing for its competitiveness in financial support to entrepreneurs.

In 2017 the Declaration of the Bancóldex business group was set as array of subsidiaries, Fiduciaria Colombiana de Comercio Exterior S.A.-Fiducoldex and Arco Grupo Bancoldex S.A. Compañía de Financiamiento (formerly Leasing Bancóldex S.A. - Compañía de Financiamiento) before the Chamber of Commerce of Bogotá under the terms provided for in article 261 of the code of Commerce.

On the other hand, and as a result of the issuance of Act 1815 of 2016 "which reduced the income and capital resource and budget appropriations law for the period from January 1 to December 31 2017" and which provided that "autonomous equity whose administration has been assigned by law to the Banco de Comercio de Colombia S.A. Bancóldex, may be directly administered by it or through its subsidiaries", the Bank gave to Fiducoldex the administration of the business growth management unit and the productive transformation program as of April 1, 2017.

On the other hand, at the date of this report, Bancóldex along with Fiducoldex, the Bank of the Republic and the Ministry of Foreign Affairs, is linked to five ordinary labor suits filed by aggregates, parts, and directors of trade offices from Colombia abroad, who provided their ser-

vices between 1967 and 1992. In the mentioned processes the intention is to attain recognition of their pension contributions by the aforementioned entities.

Finally, and without prejudice to the requirements stated in the prevention of money laundering and financing of terrorism administration system, it is worth stating that Bancóldex administrators have not hampered the free movement of invoices issued by providers. The previous record is done under the terms set forth in the paragraph added by article 7 of law 1231 2008 2° paragraph, of article 87 of law 1676 of 2013, "Which promotes access to credit and dictates rules on security interests" "Which unifies the invoice as a title value as a funding mechanism for the micro, small and medium entrepreneur, and enacts other provisions".

CORPORATE GOVERNANCE

The complete information of the Bank in corporate governance of Bancóldex is found in the annual corporate governance report. This document is an integral part of this annual report and is available at the Bank website under the "Interest Information to shareholders and other investors".

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Under the framework of corporate governance of Bancóldex diagnosis, in 32016, the International Finance Corporation - IFC of the World Bank made a diagnosis of environmental and social risks, with methodology similar to that used for the analysis of governance of the Bank,

i.e., from the information gathered and the visit of a mission from Washington where interviews were conducted to members of the Board of Directors and senior management. The diagnosis covered policies, processes and procedures for the management of environmental and social risks of the Bank. This review was compared to the Green Protocol and international best practices that include IFC standards and the norms and principles of Ecuador.

As a result of the diagnosis the IFC issued certain recommendations, during the session of June 29, 2017, the Board of Directors approved the creation and implementation of a social and environmental risk management system- SARAS which aims to identify and evaluate the environmental and social risks of credit operations, as well as to establish mitigation measures to minimize potential losses arising from their occurrence.

In that sense, Bancóldex supports the growth of the Colombian business sector ensuring the protection of the environment and the well-being of society in its present and future activities, tends to the rational use of natural resources in its operation to generate the lowest environmental impact and design financial and non-financial products focused on the mitigation and adaptation to climate change and that generate social benefits.

On the other hand, the sustainability report for the years 2015 and 2016 was published. It was prepared under the guidelines of the Global Reporting Initiative GRI, version 4 in its essential option and gives continuity to the last published report exercise 2014, allowing the Bank's interest groups to compare the progress of the new strategy of Bancoldex from the main economic, environmental and social outcomes of the two mentioned years.

The content of the report was the result of a materiality analysis carried out by the Bank through workshops and interviews with managers and their own interest groups. The full document can be viewed on the Bank's website, on the link "Corporate social responsibility".

TRANSACTIONS WITH RELATED PARTIES

To the date of this report, the Bank maintains its operations properly instrumented and complies with the regulations that govern it. The operations performed by the Bank with its partners and administrators are in accordance with the general policies of the institution. These operations are properly specified in note number 30 (related parties) of the financial statements.

The Bank did not carry out transactions, or transactions with partners or managers, whose characteristics differ from those carried out with third parties, or provided services free or compensated, nor loans without interest or any consideration, with the exception of those with employment character, which are regulated by articles 152 and 153 of the Substantive Labor Code.

SUBORDINATES

Fiducoldex is a limited company of indirect mixed economy of national order, constituted since October 31, 1992, where Bancóldex has an 89.32% stake. Arco Grupo Bancóldex is a mixed economy company of indirect creation, not affiliated or linked to any Ministry and assimilated to an industrial and commercial enterprise of the State, where Bancóldex has a participation of 87.45%.

During 2017, the Bank carried out directly with Fiducoldex management operations such as recruitment of the global Bank policy and the continuation of the alignment project of Bancoldex and its subsidiaries. In addition, dividends of Fiducoldex were received for 2016, and starting on 2017 the Trust received the administration of the following special programs: business growth management unit, and productive transformation program, previously managed by Bancoldex. It is clear also, that Fiducoldex is the administrator of the private Capital Fund Aureos Colombia FCP, whereby Bancoldex is an investor.

On the other hand, in the course of 2017 portfolio of loans, Treasury, and administration operations related to the Bank's overall policy, and alignment of Bancoldex and subsidiaries project were carried out with ARC group Bancoldex. Additionally, dividends from that

entity for the year 2016 were received.

Bancoldex maintains with Fiducoldex and Arco Grupo Bancoldex a frame agreement for shared services, which aims to exploit the synergies between the Bank and its subsidiaries, provided that this does not imply, in any case, the delegation of their professionalism.

Finally, it is important to note that independence in management of the business and decision-making is a premise of their relationship, which is limited by the benefit that the customer can get from the products and services offered by each of the entities.

OTHER EQUITY INVESTMENTS

At the end of December 2017, Bancoldex maintained investments in the Banco Latinoamericano de Exportaciones (Latin American Export Bank) - BLADDEX (1.3%), in the Fondo Nacional de Garantías (National Fund of Guarantees) (25.73%), and the credit and foreign trade insurer - SEGUEREXPO (49.63%).

INTELLECTUAL PROPERTY AND COPYRIGHT

Bancoldex acts in accordance with the law, through policies defined on the acquisition of technology and the use of licensed software. It also has internal control procedures that seek to ensure that such compliance is satisfactory.

PERFORMANCE OF THE DISCLOSURE AND CONTROL SYSTEMS

To comply with the provisions of articles 46 and 47 of Act 964 of 2005, the Banco de Comercio Exterior de Colombia S.A. Bancóldex certifies that the financial statements and other relevant reports to the public do not contain defects, inaccuracies or errors that deter from knowing the real equity situation or the operations carried out. In addition, the disclosure and control systems used by the entity to incorporate the information contained in these financial statements and reports relevant to the public are suitable, based on reliable information and subject to audits practiced by the Bank's internal auditor and statutory auditor under the supervision of the Audit Committee.



PROSPECTS 2018

MANAGEMENT 2018

For 2018, the disbursements goal of the Bank is COP 4.76 trillion, which represents a growth of 35% over what was executed in 2017. The Bank has raised the goal focusing on 6 strategic fronts that are:

Support to the Colombian export sector

Which consists of repositioning Bancóldex as the Bank to finance foreign trade operations. For this, the goal to finance the export sector is COP 2.1 trillion.

Likewise, Bank is going to focus on addressing the export sector not only for funding but also to contribute in removing barriers that prevent

the greater dynamism of exports in the country.

Activate direct credit

For operations that meet eligibility criteria in terms of investments, credit risk, guarantees and added impact of such operations.

The goal for 2018 is to disburse COP 503,000 million in direct lending to projects that contribute to mitigation and adaptation to climate change from the business sector, promoting productive linkages and industrial conversion to generate impact in the growth of exports at medium and long terms, among others.

Strengthen attention to microenterprises and microfinance institutions

The Bank will work to offer permanent assistance to the network of micro financial institutions to strengthen their institutional capacities, increase operational efficiency, improve corporate governance and mitigate risks.

It also seeks to increase loans to achieve a goal of COP 803,000 million directed to the segment of the micro and small company²⁷.

Special contribution of Government lines

The Bank will continue addressing complex situations or regional emergencies affecting companies, through the creation of lines of credit under

²⁷ Small businesses: Companies with up to 1.250 SMLV (Minimum Legal Outstanding Monthly Wages) worth of assets.

favorable conditions with specific destination in accordance with the direction of the national Government.

For 2018, the Bank intends to leverage close to COP 1.4 trillion in special lines provided the resources are received by the Government.

Green lines

Consists of structuring and financing green projects and investments that generate positive impacts on the environment and which allow to increase the participation of the Green Bank's portfolio from 2 to 10% in 2 years.

The goal proposed for 2018 is to disburse COP 130,000 million funding for green projects.

New special lines

The Bank seeks to become a relevant player in structuring programs and projects that contribute to the business and regional development of the country.

Likewise, the organization internally established eight transversal policies that contribute to the fulfillment of the goals drawn for this year, which are:

- 1-The improvement of the Bank's funding.
- 2-Improving the functioning of the Organization to respond to all challenges.
- 3-Deepening the audit of processes and actions.
- 4-Establish criteria for the limitation of contracts, to help improve the efficiency of the Bank.

5-Promoting a change in pace.

6-Bimonthly tracking goals.

7-Establishing synergies with bank subsidiaries.

FINANCIAL PERSPECTIVES

The year 2018 is projected under a challenging scenario from the commercial point of view to reach a disbursements goal of COP 4.75 trillion.

Under this scenario, and to ensure the financial sustainability of the Bank the following strategic actions arise for the sake of guaranteeing the generation of profit:

•**Investment portfolio:** the portfolio strategy for the year 2018 involves maintaining an investment level close to COP 700 thousand million, focused on the short and average of the yield curve. This, to protect the results statements from possible devaluation due to upward movements of the market.

•**Passive structure in pesos:** the monetary policy adopted by the Banco de la República is expected to continue expanding, reaching an intervention rate close to 4% during the year 2018. This expectation has caused a flattening of the catchment curves in the market, by which the Bank's strategy will be concentrated in the mid part of the curve (18 to 36 months), where the funding costs are more efficient, since these periods do not generate banking reserve costs.

To meet the projected expenditures a need for

resources in pesos for COP 1.8 trillion is expected, to fund 60% through CDTs, 15% in bonds and 25% through institutional savings account; which is expected to be live in the second quarter of 2018.

In addition, the evaluation and structuring of a Public Stock Market issuance of the first "Social bond", titles that have a great potential for growth considering that the resources obtained under this product would be intended to anchor the portfolio of Bancoldex microcredit.

•**Passive structure in dollars:** for 2018 Bancóldex has a funding need of USD 530 million in foreign currency, will be financed by 83% through the Bank, and the remaining 17% amounting to USD 90 million will be funded through correspondent banking and multilateral Organizations, through the fourth and last credit program with the IDB under the CCLIP line negotiated in 2018.

To maintain long-term resource availability as a competitive advantage, the Bank has been working on documentation (CONPES document) and approvals required for the nation to gain access to a new line of indebtedness with multilateral banks and the IDB for USD 600 million intended to be negotiated in 2018 and disbursed as of 2019.

•**Expenditure Efficiency:** Bancóldex continues to be committed to be austere in its spending, so in 2018, the budget for operating expenses²⁸ increased only by 2.8%²⁹ compared to that of 2017. The above demonstrates Bank's commitment to financial sustainability and the generation of profit, with a budget having an MFB efficiency indicator at levels close to 31%, similar to 2017 (29.8%); these indicators have the lowest results from the last five years.

²⁸ Tax not included

²⁹ Value under inflation for 2017 (4.09%)

SUBSEQUENT EVENTS

The Administration has no knowledge of any important event that occurred between the closing date of the fiscal year 2017 and the date of submission of this report that could affect its scope or interpretation.



Photo courtesy of: Vanguardia Liberal.

**Mario
Suárez Melo**
President and CEO

Financial Statements



Report from the statutory auditor



Certificate from the legal representative
and the account



Financial Statements 2017-2016



Notes to Financial Statements 2017-2016



Financial Statements 2017-2016

Consolidated Financial Statements Bancóldex and Subordinated



Consolidated Report From the
Statutory Auditor



Consolidated Financial Statements
2017-2016



Notes to the Consolidated Financial
Statements



Consolidated Financial Statements
2017-2016

03

BANCOLDEX 
GRUPO **BANCOLDEX**

BANCÓLDEX FIGURES 2017

BANCÓLDEX FIGURES 2017

DISBURSEMENTS

3.58

trillion

of Colombian pesos

disbursed, benefiting more
than 76,000 companies in 786
municipalities of the country.

BANCÓLDEX FIGURES 2017

ATTENTION TO MICRO AND SMEs

2.1

trillion

of Colombian pesos
in loans to micro, small and
medium-sized companies, with
which we maintain our philosophy
of serving all companies regardless
of their size.

BANCÓLDEX FIGURES 2017

BUSINESS MODERNIZATION

1.66

trillion
of Colombian pesos
in financing for the modernization
of companies.

BANCÓLDEX FIGURES 2017

**DISBURSEMENTS
IN DOLLARS**

USD **421**

million
financed.

BANCÓLDEX FIGURES 2017

EXPORTS FINANCING

11.1

trillion

of Colombian pesos

disbursed to promote foreign trade
and the internationalization of
the Colombian economy, benefiting
approximately 830 exporting
companies.

BANCÓLDEX FIGURES 2017

**COMMITMENTS IN
INVESTMENT FUNDS
OF PRIVATE CAPITAL
AND ENTREPRENEURSHIP**

164,017

million

of Colombian pesos

in investment commitments in
Private and Entrepreneurial
Capital Funds.

EMISSION OF GREEN BONDS

200,000

million
of Colombian pesos

in the first auction of green bonds in
the Colombian public market.

**With these resources, the following
projects were generated:**

- Generation of energy through Biomass management.
- Change of traditional lighting systems for LED technology.
- Energy control systems (energy monitoring and management).
- Plans for solid and liquid waste management.
- Solar panels for the generation of photovoltaic energy.



BANCÓLDEX FIGURES 2017

**STRENGTHENING OF
THE MICRO-ENTERPRISE
SEGMENT**

509,781

million

of Colombian pesos

disbursed to more than 59,200
microenterprises, thus promoting
financial inclusion and productive
insertion.



GROWTH PLATFORMS IN FIGURES



Productive insertion and financial inclusion

- platform -

The disbursements made by this business unit in 2017 were COP 658,286 in 66,673 operations, which represents 18.3% of the Bank's total disbursements.

Domestic boost

- platform -

This business unit disbursed COP 1.32 trillion, benefiting more than 3,000 businessmen, highlighting that 65% of the disbursements were made to attend modernization processes, mainly of SMEs.





Global flows

- platform -

In 2017, this business unit disbursed more than COP one billion for the growth of the export sector and the strengthening of foreign investment in Colombia.

International expansion

- platform -

During 2017, the International Expansion business unit supported 57 companies with financial products, amounting to total disbursements of COP 518,528 million, which corresponded to 14% of the Bank's total disbursements.





Extraordinary growth

- platform -

In 2017, the Bank generated two new lines of credit, through which 90 companies were financed with 17,877 million pesos in resources, of which 61 are less than 36 months old showing that they are effectively reaching a segment not served before by the financial system.

Dynamic ecosystems

- platform -

- The methodology to benefit from the free trade agreements was developed, which allowed the identification of 438 exporting companies with potential to diversify into new markets of countries with negotiated FTAs.
- 33 departmental reports with information from 2015 were developed, 50 business reports with diversification and sophistication possibilities for com-

panies, and 2 industrial sophistication reports: clothing and oil chemistry.

Two new services were launched from the Project Structuring Unit: Delta Program and Pioneers Program. These instruments are part of the purpose of providing specialized support for the conceptualization and structuring of business growth projects.





BANCÓLDEX, SOCIO DE LOS EMPRESARIOS
QUE SE ATREVEN A CRECER

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INSTITUTIONAL VIDEOS



BANCÓLDEX, UN BANCO VERDE



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Internacional

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Monday to Friday
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Centro Comercial Atlantic Center

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Pereira

Carrera 13 #13-40 Oficina 405
Centro Comercial Uniplex Circunvalar

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Bucaramanga

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MiCITio

Armenia

Comercial Contact
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2:00 p.m. a 6:00 p.m.

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Alexandra Atehortua Rojas

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2:00 p.m. a 6:00 p.m.

Neiva

Comercial Contact
Diana Marcela Rivera Lara

Carrera 5 #21-81
Bloque Cultural Centro de Conven-
ciones José Eustacio Rivera

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8:00 a.m. a 12:00 p.m.
2:00 p.m. a 6:00 p.m.

Pasto

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Pasaje Corazón de Jesús

(57 2) 722 6834 Ext. 106
(57 2) 736 5095 Cel: 314 414 2939

Monday
8:00 a.m. a 12:00 p.m.
2:00 p.m. a 6:00 p.m.

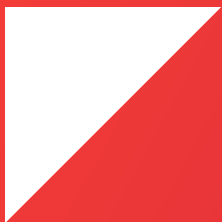
San Andrés

Comercial Contact
Karen Bush Francis

Avenida Colón - Edificio Bread
Fruit - Oficina 203-4

(57 8) 512 0345
(57 2) 512 1720 Cel: 321 232 6654

Monday
8:00 a.m. a 12:00 p.m.
2:00 p.m. a 6:00 p.m.



BUSINESS DEVELOPMENT BANK

ANNUAL REPORT 2017

